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Corporate Highlights

	1977	1976	% increase (decrease)
Maclean-Hunter Limited			
Operating Summary (\$000's)			
Revenue	\$198,263	\$175,283	13%
Consolidated net income	9,724	7,142	36%
Per Share – Class A and B			
Earnings per share	\$1.39	\$0.95	46%
Dividends declared per share	33.0¢	31.2¢	6%
Shareholders' equity per share	\$4.58	\$3.89	18%
Financial Position at Year End (\$000's)			
Working capital	\$ 7,623	\$ 13,597	(44%)
Total assets	140,405	123,626	14%
Long-term debt	47,281	38,123	24%
Shareholders' equity	30,353	28,230	8%

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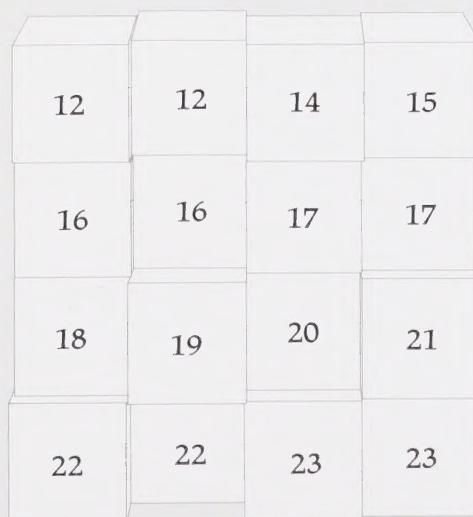


Corporate Highlights

	1977	1976	1975 (decade)
Revenue	₹108,263	₹125,283	₹138,145
Consolidated net income	₹7,145	₹7,145	₹6,969
Net Share - Class A and B	₹1.36	₹0.85	₹0.80
Earnings per share	₹33.04	₹31.24	₹29.60
Dividends declared per share	₹2.58	₹3.80	₹4.80
Shareholders, equity per share	₹2,133	₹2,123	₹2,144
Financial position at Year End (₹000's)	₹13,527	₹13,623	₹14,025
Working capital	₹7,623	₹7,623	₹7,426
Total assets	₹123,626	₹123,781	₹124,530
Long-term debt	₹38,123	₹47,123	₹48,353
Shareholders, equity	₹80,000	₹78,530	₹75,330
Operating Summary (₹000's)	₹10,000	₹10,000	₹10,000
Maclean-Hunter Limited			

Maclean-Hunter 1977 Annual Report

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Directors' Report

The directors of Maclean-Hunter Limited take pride in presenting the 1977 annual report for your company.

We are pleased to report revenue in 1977 of \$198,263,000, and profit after taxes of \$9,724,000, both records.

The past five years have been important for us, as total sales have grown 148%, and profits have increased 106%.

Last July, Maclean-Hunter purchased most of the shares of CFCN Communications Limited and Maclean-Hunter Cable TV Limited it did not already own, with the result that M-H now owns more than 99% of each of these companies. While these purchases have increased our long-term debt, they have also had a buoyant effect on our 1977 earnings, and this should continue for future years.

The Anti-Inflation Board has not created significant problems for Maclean-Hunter. We continue to support AIB in principle, while not always agreeing with the way it has been applied. Because M-H has a December 31 year-end, we will be operating under AIB for the remainder of 1978.

Bill C-58, the 1976 revision to the Income Tax Act, which removed tax advantages enjoyed by foreign magazines and broadcasters, continues to have a beneficial effect on all Canadian publishers, including Maclean-Hunter. It has added stability to the earnings of the company's consumer magazines, and has sufficiently brightened their outlook for the company to make the substantial investment in people and presses to turn Maclean's into a weekly newsmagazine in September, 1978.

There are two important external factors which have a bearing on Maclean-Hunter's success. While the first, Canada Post, did not produce any major disruptions during 1977, there is a continuing uncertainty surrounding this operation and its effect on magazine distribution. In the event of a major postal strike, we have an emergency plan in place for all of our publishing divisions. And while the plan would help us move many of our publications in tight times, it would not be as effective as having a post office which we can all depend on.

The second external factor is the Canadian Radio-television and Telecommunications Commission, which reviews all of our applications for growth in broadcasting and cable TV, and also reviews Canadian cable TV rate increases. We recognize the importance of having some independent control on electronic communications. And we also feel, based on our strong performance, that we have a good case for expansion in both areas.

Following is a list of profit centres which were started during 1977: Aerospace Canada (Canadian publication); Audio Trade Merchandising (Canadian publication); Canadian Home Improvement Show (Canadian show); Concrete Canada (Canadian show); Contract and Architectural Showcase (Canadian show); L'Hospitalité (Canadian publication); Macmillan-NAL Publishing Limited (Canadian paperback book publisher); Metro Home Theatre, Inc. (U.S. special programming TV service); Montreal Graphic Arts Show (Canadian show); Personal



Computing Showcase (Canadian show); Prêt-à-Porter Show (Canadian show).

The following properties were discontinued or suspended during the year: The Audio Retailer (Canadian publication); Design-Ease System (architectural design service); Improvement Services (Canadian merchandising service); Stereo Show (Canadian show).

Finally, one Canadian publication, Canadian Shipping and Marine Engineering, was sold during 1977.



During the year, Frederick T. Metcalf was appointed President and Chief Operating Officer. He has been President of Maclean-Hunter Cable TV Limited since 1968 (a position he retains), and has served on the Maclean-Hunter Limited board since 1969. He will be instrumental in the company's growth into publishing and electronic communications, both in Canada and abroad.

A second senior management addition was the appointment of Herbert G. Marshall as Vice-President, Broadcasting. He was formerly Vice-President of Calgary-based CFCN Television Limited, and played a major part in building CFCN TV into its strong position in the Calgary marketplace.

William P. Wilder, Executive Vice-President of Gulf Oil Canada Limited, was appointed to the Maclean-Hunter board in October, 1977. F. William Fitzpatrick, President and Chief Executive Officer of Bralorne Resources Limited, Calgary, joined the board in February, 1978.

The addition of these two men increases the number of outside directors on the M-H board to six, out of a total of 15 board members. The company continues to work toward its goal of achieving a balance in the ratio of inside to outside directors.

A major development for M-H employees during the year was the institution of a new deferred profit sharing plan, which is designed to give permanent employees an even greater stake in the company as shareholders. It should be of significant benefit to career employees.

This is an important step for the company. We recognize that our growth and success can more than anything else be attributed to selective hiring policies. As an information and service company we can't afford to have it any other way. Our benefits, including a stock participation plan, are designed to keep the excellent people we already have.

Maclean-Hunter has several continuing goals: to produce profits, to create a proper working environment, and to contribute toward the building of a strong, united Canada. We achieve these through information, ideas, entertainment, and by helping others attain these same goals.

The company looks forward to a year of continuing growth in 1978.

On behalf of the board:

A handwritten signature in black ink, appearing to read "Donald G. Campbell".

Donald G. Campbell
Chairman and
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Frederick T. Metcalf".

Frederick T. Metcalf
President and
Chief Operating Officer

What we are

Maclean-Hunter Limited is a Canadian-controlled diversified communications company, which began operations in 1887, and which subsequently incorporated under the laws of Ontario by letters patent dated April 30, 1891.

The company provides information and services to business persons and consumers. It is our business not only to sell our own products, but also to help others sell theirs.

Maclean-Hunter is involved in the following major areas of the communications business: periodical publishing, cable television, radio and television broadcasting, business forms, distribution of magazines and books, book publishing, trade shows, commercial printing, radio paging, and a variety of other information services.

M-H has its head office at 481 University Avenue, Toronto, and leases Canadian offices in Montreal, Ottawa, Calgary, Edmonton and Vancouver.

Canada is the company's primary sphere of operation, serving both English- and French-speaking Canadians.

Maclean-Hunter has international investments in the United States (business publications and cable television), the United Kingdom (business publications), and has publishing interests in eight other countries, not including Canada.

M-H has diversified significantly over the past 15 years. While publishing remains a principal factor in our business, the expansion into other areas of the communications industry, particularly radio and television broadcasting, cable television and business forms, has provided a broader financial base for our revenues. Publishing revenue, while continuing to grow, has decreased as a percentage of total revenues from approximately 80% in 1967 to 45% in 1977. Similarly, the company's dependence on national advertising as a source of revenue has been reduced to the point that 42% of revenues in 1977 were from advertising sources. This compares with 65% in 1970.

Where we rank

The Financial Post released figures in 1977 which showed Maclean-Hunter was the 116th largest company in Canada ranked in terms of sales, 113th in assets, and 111th in net income.

We are probably the most diverse

communications company in Canada, and the fifth largest in terms of sales.

The total annual circulation of all Maclean-Hunter consumer magazines make up roughly 10% of the total circulation of all Canadian consumer magazines.

Maclean-Hunter's Canadian business publications have more than one quarter of the total circulation of all business publications in this country.

M-H's broadcasting interests account for 3% of total Canadian radio and television revenue.

The company generates roughly 9% of total Canadian cable television revenues, and holds a similar percentage of all Canadian cable TV subscribers.

Where we are going

In 1978, Maclean-Hunter will continue to improve and refine those areas of the communications business it is now involved in. The major anticipated development during the year will be the shift of Maclean's to weekly frequency in September.

We forecast Maclean's Magazine will generate 6% of Maclean-Hunter's consolidated 1978 revenue.

During and beyond 1978, the company will direct its growth based on a detailed corporate plan now in place, some of the highlights of which follow:

All existing and new properties will achieve a minimum after-tax rate of return on net assets employed of 12%.

All properties which do not measure up to the corporate plan's objectives will require approval for continuance.

The company will own at least majority interest or legal control of all its activities.

Preference will be given to those investments which lessen the company's dependence on national advertising revenue.

The company's longer-term intention is, under normal circumstances, to pay out 50% of consolidated after-tax income as dividends. AIB restraints did not permit us this level of payout in 1977.

An integral part of this corporate strategy is a five-year forecast produced annually by all of our 165 profit centres.

We see the periodical publishing industry as improving its share of market, and our priorities for expansion in coming years include this facet of our business, along with continued emphasis on cable television and radio acquisitions, business forms, and specialized long-run magazine and catalogue printing.

Financial Review

This has been another record year for Maclean-Hunter Limited.

Revenues increased 13%	Operating income increased 17%
Consolidated net income increased 36%	Earnings per share increased 46%

Revenues

In 1977, all segments showed increases in revenues with the exception of the 'Business forms and other activities', which showed a slight decline. 'Cable TV' had the largest percentage gain at 24%, which was mainly due to growth in its American subsidiary. 'Publishing' revenues increased by 15.1%, with the largest increases being in the magazine division and foreign publishing operations. (See comparative chart on 'Publishing' revenues by source.) Revenue from advertising sources increased in 1977 to 42% of total revenues from 40% in 1976. Total revenue from foreign operations increased to 9.6% of total revenues from 7.8% in 1976.

Operating Income

The chart below shows a five-year comparison of operating income by line of business. Operating income from 'Publishing' operations increased by 51% during 1977 and represents 29% of total operating income, compared to 22% in 1976. Our 'Distribution' segment continued to improve in 1977 and now represents 8% of total operating income, compared to 3% in 1976. Both 'Broadcasting' and 'Business forms and other activities' showed lower operating incomes in 1977.

Purchase of CFCN and Cable Shares

In July 1977, Maclean-Hunter Limited purchased most of the shares not already owned by them in M-H Cable TV and CFCN Communications. At December 31, 1977,

Maclean-Hunter owned 98.9% of M-H Cable TV (61.7% in 1976) and 99.3% of CFCN (60.0% in 1976). The purchase price of \$18.1 million was financed mainly by a term bank loan of \$17.6 million, with repayments of principal commencing after five years.

The revenue and operating income are not affected by this transaction because the two subsidiaries have always been consolidated. The effect of the transaction is to greatly reduce the portion of CFCN and Cable income which accrues to the minority shareholders. This in turn increases the Consolidated net income accruing to MHL shareholders and explains why Consolidated net income increased by 36% while operating income increased by 17%. The costs of the acquisition reflected in the financial statements are the interest expense related to the term debt and amortization of goodwill. The acquisition is reflected in the Statement of Financial Position as a reduction in Minority interest of \$7.7 million, and increase in Goodwill and Fixed Assets of \$4.8 million and an increase in the Shareholders' Equity elimination of \$5.6 million.

In 1976, through the formation of Maclean-Hunter Holdings Limited, the Company acquired an indirect interest of 12.63% in its own shares. As a result of the Company's purchase in 1977 of additional CFCN and Cable shares, the indirect interest by the Company in its own shares was increased to about 20.4%. An additional benefit is thus realized by MHL shareholders by way of a further reduction in the effective number of shares outstanding and accordingly is reflected in the earnings per share data. This explains why 1977 Earnings per share increased by 46% while Consolidated net income increased by 36%.

As a result of this purchase, Earnings per share for the last six months of 1977 are approximately 12¢ per share higher than they would have been had the purchase not taken place.

Selected Segmented Historical Comparisons

	Segmented Income					Return on Net Assets Employed	
	1973 (\$000's)	1974 (\$000's)	1975 (\$000's)	1976 (\$000's)	1977 (\$000's)	1976	1977
Periodicals and books—Publishing	\$6,653	\$5,532	\$4,334	\$4,722	\$7,122	*	
	49%	34%	23%	22%	29%	41%	71%
Periodicals and books—Distribution	(1,596)	(657)	458	720	1,866		
	(12%)	(4%)	2%	3%	8%	7%	22%
Broadcasting	3,045	3,475	4,427	5,457	5,283		
	22%	21%	24%	26%	21%	46%	53%
Cable TV	4,226	5,130	6,032	7,082	8,051		
	31%	32%	32%	34%	32%	26%	22%
Business forms and other activities	1,280	2,766	3,594	3,185	2,537		
	10%	17%	19%	15%	10%	26%	20%
Less interest expense	13,608 100%	16,246 100%	18,845 100%	21,166 100%	24,859 100%	29%	32%
Income before income taxes	\$11,704	\$13,078	\$16,095	\$17,649	\$20,622		

*1976 comparative figures have been restated to reflect reclassifications of segments made in 1977.

Debt

Long-term debt as a percentage of total capitalization (the sum of Long-term debt, Minority interest and Shareholders' equity) has increased from 46% in 1976 to 51% in 1977.

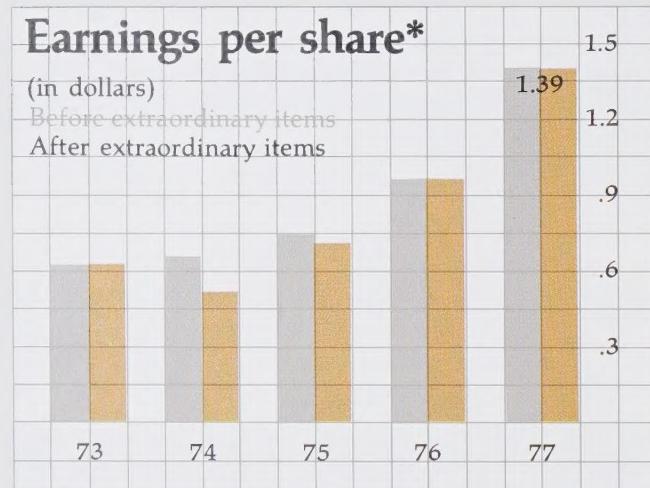
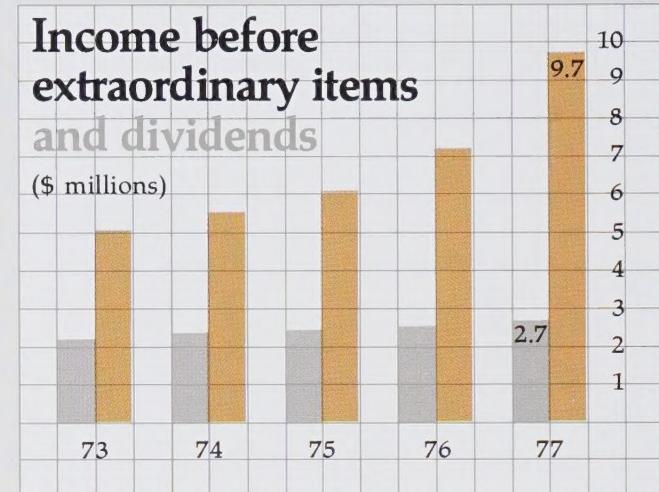
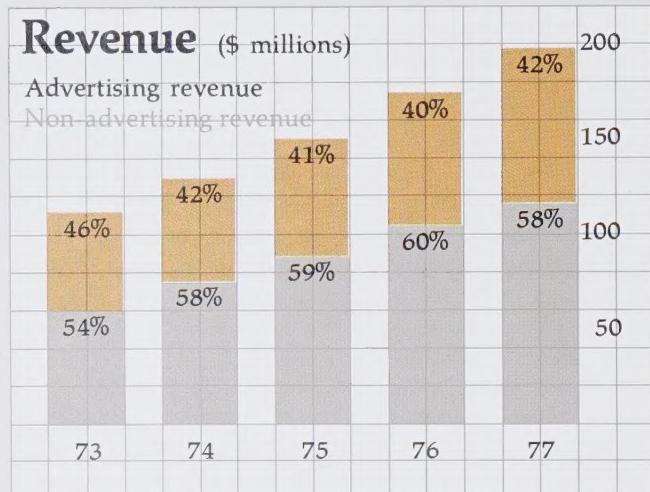
Total debt (including operating bank loans) has increased from \$45.1 million to \$60.0 million—an increase of \$14.9 million. Excluding the \$18.1 million investment in Cable TV and CFCN shares, the remaining debt has decreased by about \$3.2 million. This reduction in debt plus all other funds requirements (including property

additions of \$15.9 million and dividends of \$2.3 million) have been financed internally.

Working Capital

The current ratio (Current assets over Current liabilities) has decreased in 1977 to 1.2 from 1.4 in 1976.

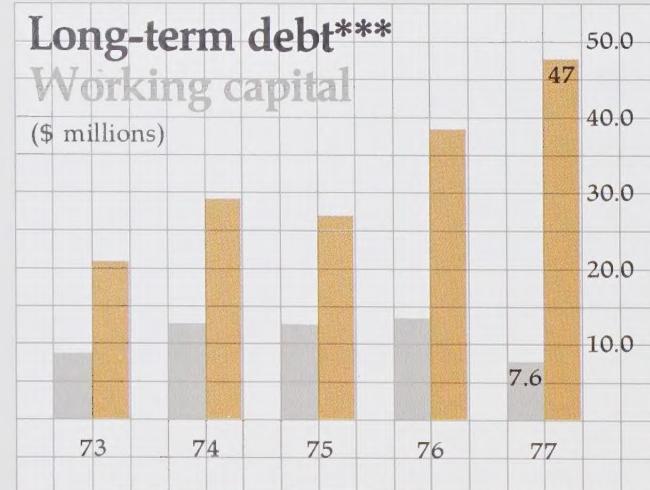
The principal reason for the decrease in the ratio resulted from a change in our banking arrangements. During 1977, the term bank loan of the parent Company was converted from Long-term debt to a current operating line of credit at a more favourable interest rate with a maximum credit line of \$13.0 million. This resulted in an



*Based on effective number of shares outstanding after elimination for indirect interest in own shares.



**Calculation based on number of shares outstanding at December 31, 1976 and 1977 basis is after reduction to reflect the Company's indirect interest in its own shares.



***Excludes current portion of debt.



increase in current bank loans (including current portion of long-term debt) of about \$5.8 million.

Taxes

The tax rate of 47.7% reflects the benefit of the 3% inventory allowance. In 1977, this reduction in taxes improved earnings per share by about 2¢.

Properties

The additions to property in 1977 of \$15.9 million consisted mainly of \$12.9 million in additions to Cable TV plant and equipment and \$1.5 million for broadcasting equipment.

Return on Assets and Revenue

In evaluating the performance of each segment, both the return on revenue and the return on net assets should be considered. The return on net assets gives recognition to the investment required to achieve the profits earned. The chart on page 7 shows revenue, operating income and net assets by business segment for 1977 using the same format as in 1976. On a consolidated basis, return on revenue increased from 12.1% in 1976 to 12.5% in 1977 and return on net assets employed increased from 29% in 1976 to 32% in 1977. 'Publishing' and 'Distribution' were the only segments to show improvements in both categories.

The largest change in return on net assets is in the 'Publishing' segment, increasing from 41% in 1976 to 71% in 1977. This is due mainly to the increased operating

Publishing Revenues by Source

1977
Total revenue
\$90,059,000

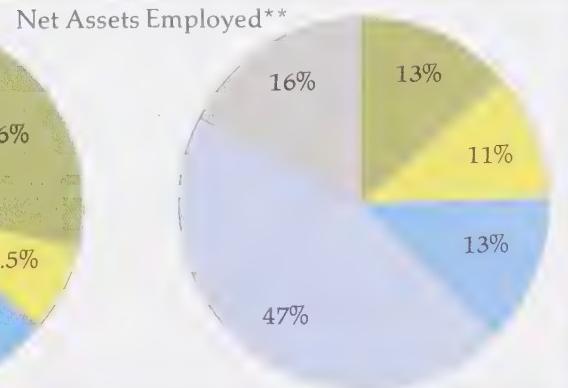
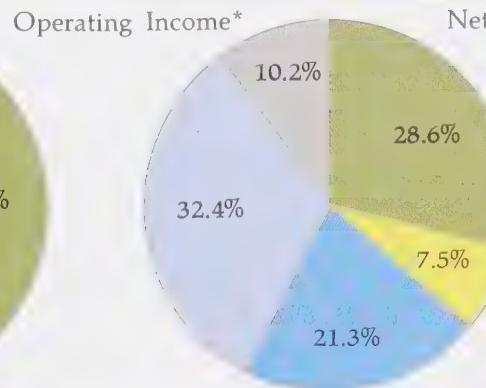
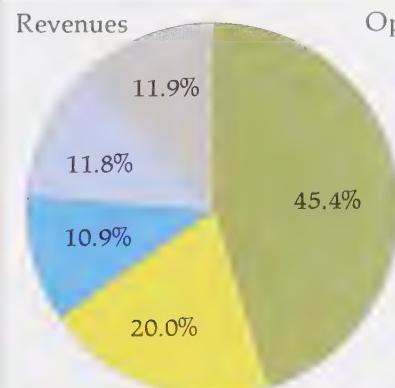


1976
Total revenue
\$78,221,000



Revenue, Operating Income and Net Assets by Business Segment in 1977

	Revenues (\$000's)	Operating Income* (\$000's)	Net Assets Employed** (\$ millions)	Return on Revenue (%)	Return on Net Assets Employed (%)
Periodicals/Books—Publishing	90,059	45.4%	7,122	28.6%	10.0 71%
Periodicals/books—Distribution	39,632	20.0%	1,866	7.5%	8.5 22%
Broadcasting	21,665	10.9%	5,283	21.3%	10.0 53%
Cable TV	23,322	11.8%	8,051	32.4%	36.0 22%
Business forms/other activities	23,585	11.9%	2,537	10.2%	12.5 20%
	\$198,263	100.0%	\$24,859	100.0%	\$77.0 12.5% 32% 29
		Less interest expense	4,237		
				Income before income taxes	\$20,622



* "Operating income" is defined as net income before interest expense, income taxes, share of affiliates and minority interest.

** "Net assets employed" represents total assets (excluding investments and advances) less current liabilities, unearned net publishing revenue and deferred taxes.

income from publishing in 1977 but is also affected by the change in banking arrangements noted above (See Debt). Because of the definition of net assets, it is affected by any change between current and long-term debt.

Pension Plans

The Company has pension plans covering substantially all employees. Based on an actuarial valuation prepared in 1977, there is no unfunded liability. In 1978, the Company has made revisions to the employees' pension plan to provide for increased benefits to pensioners.

Foreign Exchange

Included in income in 1977 is a gain on translation of foreign currencies amounting to approximately 2¢ per share, compared to a loss of about 1¢ per share in 1976. These gains and losses are based on the accounting policy described in note 1 to the financial statements.

Effects of Inflation

The financial information presented in this report is based on historical cost and does not reflect the effects of inflation. The Company has performed analyses to determine the extent to which the Company is affected. Because we do not have large inventories and because our capital intensive operations (Cable TV and printing) have

been updated and expanded substantially over the past few years, we feel that the historical based data being disclosed is not significantly distorted by inflation.

Widely differing methods of presenting more meaningful information have been proposed, but to date the accounting profession and the business community have not reached agreement on an acceptable method. Maclean-Hunter Limited will continue to monitor current developments.

1978

The Company has planned for capital expenditures in 1978 amounting to approximately \$20.0 million.

This includes approximately \$12.0 million for Cable TV plant additions (about half of this in the United States), and about \$4.0 million for a new printing press and other improvements to the printing plant.

CKEY Limited has received approval from the Canadian Radio-television and Telecommunications Commission and is proceeding with the \$3.1 million purchase of two Ottawa radio stations. It is expected that the Cable TV plant will be financed about equally by term debt and from operations with all other expenditures expected to be financed mainly from operations.

Selected Quarterly Information for Shareholders

	1977	1976	1975	1974	1973
Revenue per quarter (\$000's)					
1st quarter	\$ 44,634	\$ 38,405	\$ 34,219	\$ 28,731	\$ 24,935
2nd quarter	50,327	45,419	39,441	33,203	29,195
3rd quarter	48,732	42,345	36,195	31,504	27,203
4th quarter	54,570	49,114	41,823	38,871	31,028
Total	\$198,263	\$175,283	\$151,678	\$132,309	\$112,361
Net income per quarter (\$000's)					
after extraordinary items: 1st quarter	\$ 1,374	\$ 1,174	\$ 970	\$ 940	\$ 921
2nd quarter	2,703	2,001	2,099	792	1,676
3rd quarter	1,945	1,305	1,294	731	1,054
4th quarter	3,702	2,662	1,530	1,605	1,368
Total	\$ 9,724	\$ 7,142	\$ 5,893	\$ 4,068	\$ 5,019
Earnings per share per quarter*					
after extraordinary items: 1st quarter	\$ 0.20	\$ 0.16	\$ 0.12	\$ 0.12	\$ 0.12
2nd quarter	0.38	0.27	0.25	0.10	0.21
3rd quarter	0.28	0.17	0.16	0.09	0.13
4th quarter	0.53	0.35	0.19	0.20	0.17
Total	\$ 1.39	\$ 0.95	\$ 0.72	\$ 0.51	\$ 0.63
Five year record of stock prices					
High	\$ 13.25	\$ 9.88	\$ 9.38	\$ 10.25	\$ 16.00
Low	\$ 7.00	\$ 5.50	\$ 5.00	\$ 4.00	\$ 8.13
As at December 31					
Number of shareholders	1,163	1,246	1,218	1,199	1,293
Distribution of shares: (%)	Canada	99.5%	99.7%	99.6%	99.7%
	Foreign	0.5%	0.3%	0.4%	0.3%
Number of employees	4,000	4,000	4,000	4,000	3,900

* Earnings per share are based on the average number of shares outstanding for each year. These differ from the earnings per share figures shown in the quarterly reports which are based on the average number of shares outstanding for the quarter.

The Directors

Donald G. Campbell

Chairman and
Chief Executive Officer
Chairman, Maclean-Hunter
Cable TV Limited.
Chairman, CFCN
Communications Limited.
Age 52.

Joined M-H 1957.
Elected director 1959.

Has held various
administrative positions
with the company including
Controller; Vice-President,
Finance; and Executive
Vice-President, Broadcasting
and Finance.

Vice-Chairman, Canadian
Section, Commonwealth
Press Union.

Trustee, Hospital for Sick
Children; Member, Toronto
Redevelopment Advisory
Council.

Fellow of the Institute of
Chartered Accountants.

Frederick T. Metcalf

President and
Chief Operating Officer,
President, Maclean-Hunter
Cable TV Limited
Age 56

Elected director 1969.

Founding President,
Canadian Cable Television
Association.

Honorary Colonel, 11th
Field Artillery Regiment of
Guelph.

Harvey T. M. Botting

Corporate Secretary
Executive Assistant to the
Chairman
and to the President.
Age 33

Joined M-H 1969

Elected director 1977

Has held various editorial
and publishing positions
with the company.

Floyd S. Chalmers

Company director

Age 79

Joined M-H 1919.

Elected director 1938

Has held various editorial
and administrative
positions with Maclean-
Hunter leading to President
(1952-1964) and Chairman
(1964-1969).

Director, AGF Mutual Funds.

Has worked for numerous
public service and cultural
organizations.

Winner of numerous

awards, including: Officer
of the Order of Canada;
Canadian News Hall of
Fame; Civic Medal of Merit,
Toronto; Honourary degrees
from University of Western
Ontario, Waterloo Lutheran
University (now Wilfrid
Laurier University), Trent
University, York University.

Founder of the Floyd S.
Chalmers Foundation, which
supports Canadian organiza-
tions in the performing arts.

Lorne R. Clark

Vice-President, Finance

Age 42

Joined M-H 1961.

Elected director 1972.

Has held various
administrative positions
with the company including
Controller; and Controller
& Treasurer.

Member, Association of
Chartered Accountants of
Quebec; Chairman, Financial
Executives Institute of
Canada; Honorary Treasurer,
St. John Ambulance
(Ontario Council).

Paul S. Deacon

Publisher,
The Financial Post Division

Age 55.

Joined M-H 1947

Elected director 1972.

Has held various editorial
and administrative positions
with The Financial Post.

President, National Ballet of
Canada; Member, Advisory
Council for the Better
Business Bureau of Canada.

George W. Gilmour

Vice-President,
*Financial Post Division and
International Operations*

President, Macmillan
Company of Canada, Limited
Age 60

Joined M-H 1939

Elected director 1963.

Has held various positions
with the company including
Group Publisher; and Vice-
President, Business
Publications Division.

Director, Rotary Laughlin
Centre; Trustee, Art Gallery
of Ontario; Member,
Advisory Panel, Canada
Council.

Lloyd M. Hodgkinson

Vice-President,
*Printing and Business Forms
Magazine Division*

Age 57

Joined M-H 1942.

Elected director 1964.

Has held various positions
with the company including
Publisher, Chatelaine;
Publisher, Châtelaine;
Publisher, Miss Chatelaine;
Publisher, Maclean's; and
Publisher, L'Actualité.

President, Periodical Press
Association; Director and
Treasurer, Audit Bureau of
Circulations; Director,
Magazine Association of
Canada.

Director, Canadian Opera
Association; Trustee, Opera
Canada; Member, Rotary
Club of Toronto.

John M. Holton

Company director

Age 51

Elected director 1971.

President, Hunco Limited;
President, Edgecliffe
Holdings Limited.

Arthur J. Little

Company director

Age 64

Elected director 1974.

Retired in 1974 as a senior
partner, Clarkson, Gordon
& Company.

Directorships include
Algoma Central Railway;
Brascan Limited; Eaton's of
Canada Limited; National
Trust Company, Limited;
Noranda Mines Limited; St.
Marys Cement Limited.
Governor, York
University; Governor,
Appleby College; Trustee,
Toronto General Hospital.
Fellow of the Institute of
Chartered Accountants.

Peter C. Newman

Editor, Maclean's

Age 48

Joined M-H 1950.

Elected director 1972.

Has served The Financial
Post and Maclean's in
various editorial capacities.

Founding member,
Committee for an
Independent Canada.

Winner of numerous
journalism awards;
honourary degrees from
Brock University and York
University.

Author of many best-
selling books.

Ed Nymark

Vice-President,
Printing and Business Forms

Chairman and President,
Business Forms Division
Age 62

Joined M-H 1945.

Elected director 1956.

Has served Maclean-Hunter
as Production Engineer; Plant
Manager; Manager,
Commercial Printing Sales.

Past President, Magazine
Printer's Section, Printing
Industry of America.

Past President, Rotary
Club of Willowdale.

Gordon P. Osler

Company director

Age 55.

Elected director 1976.

Vice-Chairman and Chief
Executive Officer, British
Steel Corporation (Canada)
Limited.

Directorships include
Household Finance
Corporation; Inter-City Gas
Limited; Interprovincial
Steel and Pipe Corporation
Ltd.; North American Life
Assurance Company; The
Toronto-Dominion Bank;
TransCanada PipeLines
Limited; The Canadian
Surety Company.

Robert W. Robertson

Vice-President,
Business Publications Division

Age 53

Joined M-H 1942.

Elected director 1969.

Has held various positions
with the company including
Group Publisher; Executive
Publisher.

Director, Canadian Business
Press; Director, Canadian
Circulations Audit Board;
Director, Periodical Press
Association; Member,
Business Professional
Advertising Association.

William P. Wilder

Company director

Age 55.

Elected director 1977.

Executive Vice-President,
Gulf Oil Canada Limited.

Directorships include
Allstate Insurance
Company of Canada;
John Labatt Limited;
Lever Brothers Limited;
Noranda Mines Limited;
Simpsons, Limited;
Simpsons-Sears Limited.

Member of Executive and
Advisory Committees of
The University of Western
Ontario, School of Business
Administration.

Chairman, Investment
Committee, Institute for
Research on Public Policy;
Trustee, The Hospital for
Sick Children.

Peter C. Newman
Editor, Maclean's

Lorne R. Clark
Vice-President, Finance

Robert W. Robertson
*Vice-President,
Business Publications Division*



The Directors

Floyd S. Chalmers
Company Director

George W. Gilmour
*Vice-President,
The Financial Post Division
& International Operations*

Donald G. Campbell
*Chairman &
Chief Executive Officer*

Gordon P. Osler
Company Director

John M. Holton
Company Director

Arthur J. Little
Company Director

Harvey T. M. Botting
Corporate Secretary



Absent:

Paul S. Deacon
*Publisher, The
Financial Post Division*

William P. Wilder
Company Director

Frederick T. Metcalf
*President &
Chief Operating Officer*

Edward Nymark
*Vice-President,
Printing & Business Forms*

Lloyd M. Hodgkinson
*Vice-President,
Magazine Division*

Business Publications

A business publication is a highly specialized periodical which serves a specific industrial, retail or professional market, providing information for purchasers of products and services in those markets. With more than 70 publications, including annuals, in Canada, Maclean-Hunter is this country's largest publisher of business publications.

This remains one of the company's most important areas of business.

Nineteen seventy-seven profit was 7.6% above 1976, with revenue up 7.1%.

Advertising makes up 85.5% of the division's revenue, subscription income 7.7%, with other services, such as seminars and shows, accounting for the remainder.

As a group, Maclean-Hunter's 11 French-language business publications (five of which are now published out of Montreal) did not fare well. This can be attributed to two major factors: the slow growth in the economy, and the uncertainty in the Quebec political situation.

In spite of this, the division had a number of successes, including significant improvement for Medical Post, Oilweek, Style, Canadian Hotel & Restaurant, Canadian Datasystems, Canadian Electronics Engineering, Canadian Aviation, and Home Goods Retailing.

During 1977, the first issues of the following publications appeared: Photo Canada, a consumer-oriented publication for amateur photographers; Music Market Canada, for music retailers; L'Hospitalité, a French-language buyers' guide for the food and lodging industry; and Aerospace Canada, for the Canadian aerospace industry.

Other new services included Data Communications Seminars, sponsored by Canadian Datasystems, and Guide to the Caribbean, the first of a possible annual series put out by Canadian Travel Courier on different international destinations.

All unprofitable operations were studied carefully. Several were discontinued or suspended, and strategy on others changed.

Those which were discontinued or suspended were: Design-Ease System, an architectural service which was suspended because of the weak architectural market; M-H Business Seminars, an experiment in centralizing seminar production in the division; Improvement Services, a merchandizing operation for books and other products; and the Stereo Show, which has been suspended for at least two years.

Canadian Shipping and Marine Engineering was sold effective July 1977.

A business publications editorial council, consisting of seven senior editors, was formed during the year with the objective of improving editorial quality. The council

is in the process of analyzing each publication in depth, and recommendations for improvement will be made to the particular editor and to management. The council will also advise management on editorial matters.

The division also appointed a special projects manager on an interim basis whose major projects to-date have included assisting and developing competitive strategies, conducting an image study and investigating the possibility of an increased emphasis in special-interest consumer magazines.

Circulation lists, consisting of some 800,000 names, have been converted to a computer system. This, along with postal coding, enabled development and testing of an effective alternate delivery system for major centres

which will be implemented should there be lengthy disruptions in postal service.

Editorial members of the division continued to distinguish themselves in 1977, by winning four of the 10 Kenneth R. Wilson Memorial Awards, which are national awards in Canada recognizing editorial and graphics achievement in the



business press. In addition, editorial staff in the M-H Montreal office won four of the six awards made by l'Association des Journalistes de la Presse spécialisée.

Plans for 1978 include a 10% increase in revenue, an 11% increase in profit, and a 3% improvement in lineage.

Lineage improvement will depend to a great extent on improvements in the rate of capital spending and the rate of growth in the economy.

Other changes include frequency increases for Aerospace Canada, Canadian Driver/Owner, and Canadian Secretary.

L'Acheteur was merged into

Le Québec Industriel in January, 1978. Audio Trade Merchandising replaced The Audio Retailer and is now distributed as a bound-in

copy of AudioScene Canada.

A trade show entitled Prêt-à-Porter Show, which Style Magazine has already held in Montreal this year, has profit potential for future years.



The Financial Post

At Maclean-Hunter, The Financial Post means more than Canada's leading journal of business, investment and public affairs. It also means a division of the company which offers a broad range of business information and services, including conferences, corporation data, computerized financial information, books, industry surveys and specialized market information.

Total division revenue was up 5.6% in 1977, and profit increased 21.0%. Advertising sales revenue of The Post was up 12.6%. Mechanical costs rose substantially because of higher postal rates and air cargo costs, and will rise further in 1978. This should be offset by rate increases, and higher advertising sales and circulation.

The newspaper had another year of distinction, winning one award and three

honourable mentions in the National Business Writing Awards, and two awards and three honourable mentions in the Kenneth R. Wilson Memorial Awards. Both competitions recognize excellence in business journalism.

The Post editorial and sales staff produced a highly commended five-part Report on the Nation series, later reprinted in a single volume, and sent abroad to influential

organizations, major companies and governments.

World business coverage has been expanded, and other departments developed. These innovations have undoubtedly contributed to the rise in circulation; an estimated 380,000 persons now read The Post each week.

The Post's long-running annual report awards program for outstanding corporate reporting was

strengthened by the addition of an awards luncheon sponsored by the Canadian Council of Financial Analysts.

In 1977, Financial Post Conferences staged six conferences.



Books produced by the division in 1977 include Pensions and Survival, Treadmill to Ruin, and It's Your Move. Books for

Businesspeople, which sold a wide range of books by direct mail, is being phased out. Improved results are

expected in 1978 for Financial Post Magazine, Investor's Digest, Financial Post directories, and Telephone Communicators Canada (51% owned). The division looks for continued stable growth from Financial Post Corporation Service, Financial Post Computer Services, and Financial Post Conferences (nine conferences planned).

and Maclean's or L'Actualité were read by more than one half of all adult Canadians, English or French speaking.

Our magazines had a profitable year, with total revenues increasing 27%. This increase was due in large part to the strengthened editorial product of all five magazines.

The bi-weekly Maclean's was genuinely accepted by readers and advertisers, with revenues increasing 35%. L'Actualité, having completed its first full year in its revised format, enjoyed a 58% increase in revenues.

Revenues for Chatelaine/Châtelaine combined increased 17%. These magazines offered their readers even greater depth and diversity of editorial during 1977. Chatelaine is celebrating its 50th anniversary in 1978.

A significant development during the year was the retirement of Doris Anderson, who served Chatelaine with distinction in her 18 years as editor. She was replaced by Mildred Istona, who is building on those many strengths the publication has established.

Miss Chatelaine revised its editorial approach to establish itself as Canada's fashion magazine for active, career-oriented young women. This was a natural transition from its former appeal to the teen market. Miss Chatelaine will increase its frequency from seven to 10 issues in 1978.

Maclean's will become Canada's Weekly Newsmagazine beginning with the September 18th, 1978 issue. The weekly frequency will permit greater news coverage and topicality in current affairs, business, sports and international news.

The change will require an increase in editorial staff from 40 to 70 full-time personnel, plus contributors throughout Canada and the world.

Magazines in general are expecting 1978 to be a year of significant growth, building on an industry which has improved substantially since the government enacted Bill C-58.

Consumer Magazines

The consumer magazines of Maclean-Hunter are among those few things Canadians share in common. With the developments in Quebec, our magazines have never been more important to this country. During 1977, both Chatelaine or Châtelaine,



Macmillan of Canada

The Macmillan Company of Canada, which continues to be one of the prestige publishers of trade and educational books and materials in Canada, experienced a pre-tax loss in 1977, as a result of slightly lower net sales, increased production costs, and an unanticipated foreign exchange loss.

The College Division was reorganized, and its product line was structured and sales staff increased to more

NAL Publishing Limited, which will market Macmillan and NAL books in Canada, and publish Canadian mass market paperbacks, including some by Macmillan authors.

The new organization will give Macmillan a stake in the mass market segment of the business, and will strengthen its position in the hardcover market. The new company will result in a significantly greater number of people marketing Macmillan products in Canada. Macmillan-NAL is expected to be profitable in its first year of operation.



precisely meet the needs of its market during the next five years.

The Educational Division continues to face declining school enrollments and depressed learning materials budgets. However, plans for 1978 rest on some major new titles.

The Trade Division had a good year, placing a number of books on best-seller lists.

The most significant development during 1977 was the agreement with New American Library of Canada Limited to form Macmillan-

International Operations

Maclean-Hunter Limited, London, the sixth largest publisher of business publications in the United Kingdom, completed the most successful year in its history. By June, 1977, it had equalled the profit of 1976.

Maclean-Hunter Publishing Corporation, Chicago, also had the best year in its history, after a record year in 1976. The major news for this operation was the acquisition in January 1978 of two publications, Paper Film and Foil Converter, and Home Improvement Contractor, from Peacock Business Press of Park Ridge, Illinois.

Paper Film and Foil Converter has been the leading publication in its field for the

past ten years in the U.S.

Our South African operation, Westbourne-Maclean Hunter (Pty.) Limited, Johannesburg, did not have a good year, and was affected by generally poor economic conditions in that country.

During the year Mr. Peter Latham, a South African resident, was appointed Managing Director. Mr. Latham has broad periodical publishing experience. Improved performance is planned.

Maclean-Hunter owns 50% of five advertising rate and data information publications in Austria, France, Germany, Italy and Switzerland. They are owned in partnership with Standard Rate and Data Service, Skokie, Illinois. As a group, they showed growth in 1977, and are looking for continued growth in 1978.



Metro Toronto News Company

Metro Toronto News is a wholesale distributor of consumer magazines (such as Reader's Digest, Newsweek and Maclean's), paperback books and other periodicals to retailers in Metropolitan Toronto, and the area north of Toronto from Barrie to Huntsville.

Through a wholly owned subsidiary, Metro carries on wholesale periodical distribution in areas east and west of Metropolitan Toronto, which include Peterborough, Cobourg, London and Sarnia.

Metro distributes almost 2,000 magazines, on a complete range of subjects, covering crafts, religion, science, and many other areas. The company distributes to more than 3,000 retail outlets in Ontario, including Dominion, Tamblyns, Beckers, Eaton's and Simpsons.

Sales were up 12%, and profits were up proportionately.

In an attempt to resolve the obscenity versus censorship issue, the company, along with all similar companies in Ontario, was involved in the establishment of legislative guidelines which ultimately resulted in the setting up of an advisory committee of three respected Canadians (a lawyer, a psychologist, and an author/journalist) who review all publications the company handles. This group was set up with the knowledge and support of the Government of Ontario.

Nineteen seventy-eight should see continued growth for the company, with some increase in the area of selling quality paperback book titles to the retail trade and to schools and libraries.



Co-operative Book Centre

The Co-operative Book Centre of Canada Limited is a wholesale distributor of cloth-bound and paperback books to public libraries and elementary and secondary school libraries across Canada.

Sales in 1977 exceeded \$6,000,000, increasing more than 25% over 1976.

The major development

during the year was the decision by a Vancouver school district to buy all of its print requirements for its school resource centres through the Book Centre. This school district is one of the four largest in Canada, measured in terms of budget dollars available. They have made a commitment to buy a minimum of \$1 million in

materials over a two-year period.

Gross margin in 1977 was 27%, up slightly from the year previous, and compared with 14% in 1970.

The Book Centre has started a three-year data processing update which will move the company to a data base environment, making it competitive with any book distribution firm in North America.

CFCN Communications Limited

Maclean-Hunter has increased its ownership of CFCN Communications Limited to more than 99%, up from 60% a year ago, as a result of an offer made last July to purchase all of the CFCN shares M-H did not own at that time. CFCN was delisted from the Toronto Stock Exchange on February 28, 1978.

This purchase has had, and it is expected will continue to have, a positive effect on the results of Maclean-Hunter Limited. CFCN owns and operates one television and two radio stations serving metro Calgary, and three radio stations in southwestern Ontario.

Operating profits were off from the previous year primarily due to AIB restrictions in our Calgary stations.

CFCN-AM, which offers a refined contemporary adult sound, made audience gains during the year. It holds a strong number two position in the Calgary market. Comprehensive news and information services, such as helicopter traffic reports and CFL football coverage, continue to be major assets in this competitive market. The station will be working to increase its audience market share in 1978.

CJAY-FM, which began operations June 1, 1977, has been an outstanding success, capturing a good segment of the 18-34 target audience with an album rock format. The station has provided a needed program service to the market, and has become the most successful FM station serving Calgary. No new FM licences will be granted to Calgary for the next 18 months, which should assist CJAY-FM to solidify its initial audience response.

CFCN Television covers all of southern Alberta, reaching over three quarters of a million people each week. CFCN is unquestionably the most popular television station in this competitive market, with 15 of the top 20

programs. Sales growth was up considerably over 1976, with particular improvement in national advertising support.

The CFCN TV news audience share in the metro Calgary market is more than the other two stations combined.

CHYM, an AM station serving Kitchener-Waterloo, Ontario, continues as the number one station in this market, and retains its dominance in news. Its success was achieved by strong local involvement combined with a contemporary adult format during the day, and a youth emphasis in the evening.

The CHYM frequency conversion from 1490 to 570 has been delayed due to

technical difficulties, and should be completed by this spring. The conversion will give the station a larger potential audience, reaching an additional 70,000 people in the Cambridge area.

CKGL-FM, CHYM's sister station, continues with its successful country and western format. The station broadcasts in "stereo" to a large geographic area (two-thirds of its audience is non-Kitchener-Waterloo) and is sold to advertisers in combination with the primarily "urban" AM station.

CFCO, an AM station serving Chatham-Wallaceburg, Ontario, achieved \$1 million in sales

for the first time in its history. The station dominates its market with middle-of-the-road music and a strong local community commitment.

Our stations received many industry awards last year. CFCN TV won three national awards for local programming excellence at the Can Pro '77 Festival in Quebec City. CFCN News won the Prairie Region Radio-Television News Directors' Association Charlie Award for news reporting. CFCN Radio won one, and CFCN Television won two Love awards for excellence in commercial production. CFCN Television won two national commercial production awards presented by the Television Bureau of Canada.



CKEY Limited

CKEY Radio remains the solid number two station in Toronto for its 25-54 target audience. And last fall, the station became the number one adult-morning-drive station in the 25-49 age group for Metro Toronto.

CKEY continues with its policy of easy-listening music to its Toronto-area audience, coupled with high level, professional news. The station has improved its airborne traffic reporting capability by utilizing a twin-engined Cessna Skymaster aircraft in addition to a Hughes helicopter. The twin engine aircraft provides wider, faster coverage and after-dark cross-country capabilities for improved summer service.

During the Year, Charles Templeton and Pierre Berton made national headlines with their revelation that it was possible to easily obtain confidential tax data from the Department of National Revenue. This caused a storm in the House of Commons, and has forced major changes in how the federal government protects tax information.

CKEY Limited has received approval from the CRTC to purchase all of the shares of CKOY Limited, which owns and operates radio stations CKOY-AM and CKBY-FM serving the city of Ottawa and surrounding region. CKEY Limited plans to improve the news and program service of the stations to the Ottawa region.

Stephens & Towndrow Co. Limited, an 80% owned subsidiary of CKEY Limited, sells radio and television advertising for other stations. After a year of consolidating its operations in 1977, S&T is planning an intensive station acquisition program in 1978.

Newsradios Limited, a subsidiary of Stephens & Towndrow, is a national radio news agency with 44 subscribing AM and FM stations. It will make some major technical transmission improvements during 1978, and hopes to open a regional bureau in Calgary.



Maclean-Hunter Cable TV

Maclean-Hunter Limited now owns more than 99% of Maclean-Hunter Cable TV Limited, as a result of an offer Maclean-Hunter made last July to purchase all of the minority shares of M-H Cable. Maclean-Hunter formerly owned 61.7% of the cable company.

Maclean-Hunter Cable TV was de listed from the Toronto Stock Exchange on February 28, 1978.

The cable company operates 16 cable TV systems in 23 communities in Ontario and the United States. Total subscriber connections at the year end increased to 300,500, from 269,000 the year previous. There are now 267,000 subscribers in Ontario and 33,500 in the state of New Jersey.

Microwave service to Owen Sound, Collingwood and

Midland was activated in October, 1977, dramatically improving service to those communities.

We expect Ontario cable operations to continue to grow at a steady pace over the next five years. The populations of those areas where we are situated are expected to grow at faster rates than the overall population growth rate in Ontario. We should also be able to increase our market penetration by a few percentage points.

Suburban Cablevision of New Jersey, M-H Cable's 75%-owned U.S. subsidiary, experienced another year of steady growth.

Cable connections for Suburban increased for the year by 15,500 to 33,500 subscribers. Of these, 29,000 are subscribing to the company's Home Box

Office pay television service.

The number of homes passed by the end of 1977 totalled 88,600 homes, which Suburban hopes to increase to close to 150,000 by the end of 1978. The long-term objectives of the company include a subscriber penetration of 50%, compared with the existing 36%.

The company has recently obtained two additional franchises, in Union County, giving Suburban a total of 27 franchises, of which 17 are developed.

The Public Utilities Commission in New Jersey has liberalized its rules for rate increases in an attempt

to attract investors to CATV systems in New Jersey. They have created a common tariff approach which specifies the amount of rate increase which a cable company can have without a formal hearing. If an increase beyond that ceiling is requested by the company, a hearing then becomes necessary. This will decrease state government involvement in this U.S. area of our business.

Negotiations are now



underway to establish other long-term financing for Suburban Cablevision.

During the year, M-H Cable announced the formation of Metro Home Theatre Inc., in the state of Michigan, to provide pay TV to apartment complexes in metropolitan Detroit. M-H Cable owns two-thirds of this company, and American interests own the remainder. It was set up to utilize a new broadcasting technology called Multipoint Distribution Service (MDS) rather than cable, for the distribution of

pay TV movies to apartment buildings in the area.

The start-up of Metro Home Theatre has been slower than anticipated, due in part to problems in locating a satellite receiving station in the Detroit area. These problems will be solved in

the first quarter of 1978. Metro had 588 active subscribers in Detroit at the end of 1977. If current sales trends continue, this operation should reach a cash break-even point by the end of 1978, and be profitable in 1979.



Maclean-Hunter Communications

Maclean-Hunter Communications Ltd., a wholly-owned subsidiary of Maclean-Hunter Cable TV Limited, is primarily involved in selling personalized radio paging services.

This area of business continues to perform well, and by the end of 1977, Maclean-Hunter Communications had almost 7,000 paging subscribers, up from 6,000 in 1976.

A most significant development during the year was the establishment of a new, specialized tone-only paging network which will accommodate tens of thousands of customers in southern Ontario, from Oshawa to Windsor. Construction on the network began in 1977, and will be completed in 1978.

During the year, the company sold its telephone-answering service in Kingston, Ontario, but has retained a 20% interest in that operation.

Maclean-Hunter Communications is now one of the largest companies in the radio paging field in Ontario, and as the new network is placed in service the number of paging customers should grow substantially.

Commercial Printing

Maclean-Hunter's Printing Plant at the intersection of Yonge Street and Highway 401 in Metropolitan Toronto is one of the largest and most sophisticated printing operations in Canada.

The Plant prints most of Maclean-Hunter's business publications and all of its consumer magazines. Through its Commercial Printing Sales, it also handles a broad range of catalogues and special-interest business and consumer publications. The company estimates that portion of the commercial printing market it is seeking in Canada at \$80 million. M-H now holds 5% of this market.

Commercial Printing sales were up 14.5% over 1976. This operation will continue to seek high volume accounts, such as magazine and catalogue printing.

During 1977, the company approved expenditures of \$4.25 million to purchase a new, 32-page four-color press, compatible binding/mailing equipment, and a fully backed up photocomposition system.

The press is an eight-unit Harris M-1000A, similar to existing Plant presses.

The decision to install the press equipment was brought about by the board's decision to change Maclean's to weekly frequency in September, 1978. Fifty percent of the capacity of the new equipment will be available for other work. The new high-speed MOPAS photocomposition system was delivered in February, 1978.

Business Forms

While sales for the Maclean-Hunter business forms group increased 1.2% during 1977, before-tax earnings decreased 18%, as a result of the excess capacity and competitive conditions which existed in the industry. All business forms companies substantially cut prices to maintain their shares of the market.

For Data Business Forms, Mississauga, Ontario, a

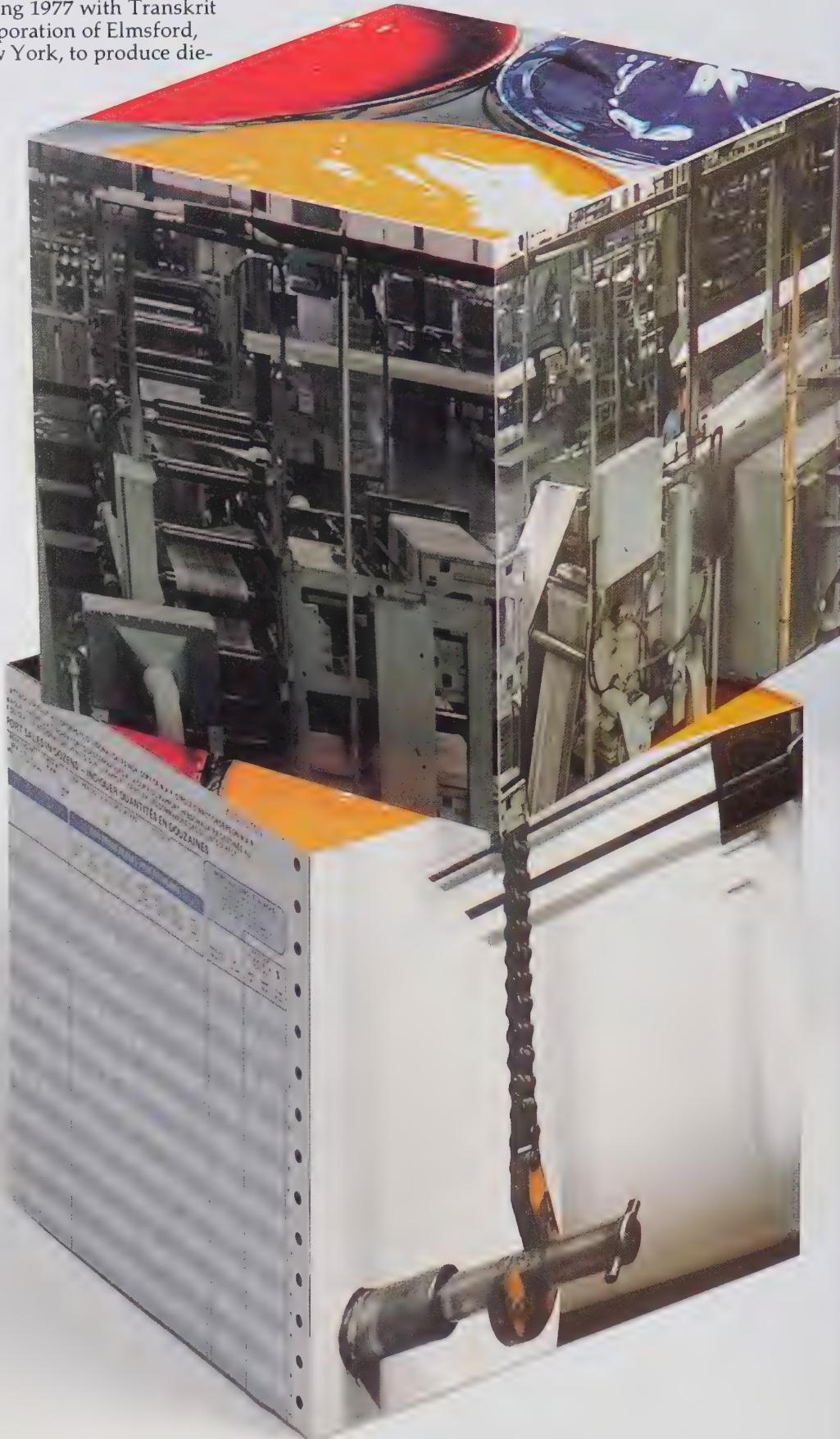
direct sales operation with seven sales offices across the country, sales were up slightly, and pre-tax profits were down 17%, in line with industry conditions.

The multi-year licencing agreement that Data signed during 1977 with Transkrib Corporation of Elmsford, New York, to produce die-

cut mailers in continuous and snap-set form in Canada, will give the company an important new product.

Redi-Set Business Forms, Don Mills, Ontario, also a direct sales operation whose business comes primarily

from Ontario and Quebec, had a marginal year. However, the introduction of its own price book during 1977, will help the company take better control of its planning for production and target accounts.



Pakfold Business Forms, Niagara Falls, Ontario, is a specialty forms operation which relies on territory managers to promote its products among stationers, printers and other business forms manufacturers. Sales and profits were static. Pakfold plans continued emphasis on dealer seminars and customer support.

Despite the "year of challenge" experienced by our three business forms companies, their performance compared favourably to results reported by the industry.

Early in 1978, ITS secured the management contract with the Canadian Welding Society to hold the Canadian Welding Show. It will occur concurrently with the National Industrial Production & Machine Tool Show, owned by ITS.

Design-Craft Limited, of which ITS is a division, acts as the official show service company for ITS shows and many independent shows. In fact, only 40% of the shows for which it acts are ITS sponsored. Both ITS and

Design-Craft expect a good year in 1978.

International Exposition Services, Inc., a 50% subsidiary of Design-Craft, acts as the official show service and rental contractor for shows and conventions taking place at downtown Toronto hotels, including the Sheraton Centre. This operation had a successful year in 1977.

Other Services

Fraser's Trade Directories Co. Ltd., which produces a general industrial trade directory and a companion construction directory, had a most successful year in 1977, in spite of tight market conditions.

The following also operated profitably in 1977: Maclean-Hunter Research Bureau, which produces surveys and major market reports for clients; Canadian Press Clipping Service, which clips newspapers and magazines; Direct Mail Services, which rents the audited circulation lists of M-H business publications and The Financial Post; and Maclean-Hunter Mailing Services, which offers a broad range of mailing services.

M-H Microfilm Services sells information and microfilm to library and business markets. It plans adjustments to its production methods during 1978 to bring it to a profitable position.



Trade Shows

Industrial Trade Shows of Canada (ITS) owns 14 trade shows and holds the management contract for six others.

ITS started four new shows during the year: Contract & Architectural Showcase, for the contract furniture and architectural component markets; Canadian Home Improvement Show, run under contract with the Lumber & Building Materials Association of Ontario; Personal Computing Showcase, for computer hobbyists; and Concrete Canada, produced with the American Concrete Institute's Annual Meeting in Toronto.

Consolidated Statement of Income and Retained Earnings

Maclean-Hunter Limited

For the year ended December 31, 1977 (with comparative figures for the 1976 year)

		1977	1976
Revenue:		<i>cont'd profit</i>	
Periodicals and books — Publishing	29 (22)	\$ 90,059,000	\$ 78,221,000
— Distribution	8 (3)	39,632,000	35,377,000
Broadcasting	21 (26)	21,665,000	18,890,000
Cable TV	32 1/2 (34)	23,322,000	18,822,000
Business forms and other activities	10 1/2 (15)	23,585,000	23,973,000
Total revenue		198,263,000	175,283,000
Expenses:			
Operating expenses		165,459,000	147,910,000
Depreciation		7,619,000	6,154,000
Interest expense (note 5)		4,237,000	3,517,000
Amortization of goodwill		326,000	53,000
Total expenses		177,641,000	157,634,000
Income before income taxes		20,622,000	17,649,000
Income taxes		9,850,000	8,430,000
		10,772,000	9,219,000
Share of net income of affiliated or effectively controlled companies		201,000	108,000
Minority interest		10,973,000	9,327,000
Consolidated net income for the year		9,724,000	7,142,000
Retained earnings, beginning of year		31,842,000	27,075,000
		41,566,000	34,217,000
Dividends (including tax paid on 1971 undistributed income in 1976)		2,743,000	2,619,000
Less dividends on shares eliminated to reflect the company's indirect interest in its own shares		451,000	244,000
		2,292,000	2,375,000
Retained earnings, end of year		\$ 39,274,000	\$ 31,842,000
Earnings per share of capital stock (Class A and B)		\$1.39	\$0.95
<i>(See accompanying notes)</i>			

Consolidated Statement of Changes in Financial Position

Maclean-Hunter Limited

For the year ended December 31, 1977 (with comparative figures for the 1976 year)

	1977	1976
Sources of working capital:		
Operations –		
Consolidated net income	\$ 9,724,000	\$ 7,142,000
Increase in unearned net publishing revenue	1,290,000	1,412,000
Amounts deducted in arriving at consolidated net income which did not involve an outlay of working capital:		
Depreciation	7,619,000	6,154,000
Amortization of computer systems development costs	565,000	407,000
Amortization of goodwill	326,000	53,000
Deferred income tax	838,000	762,000
Minority interest	1,249,000	2,273,000
Total from operations	21,611,000	18,203,000
Additions to long-term debt	4,660,000	6,305,000
Reduction in goodwill	188,000	979,000
Sundry	204,000	155,000
Total sources	26,663,000	25,642,000
Applications of working capital:		
Investment in subsidiaries (notes 2 and 3)		
Consideration paid in year	18,073,000	1,000,000
Financed by long-term bank loan	17,565,000	
Net outlay of working capital	508,000	1,000,000
Investment in Maclean-Hunter		
Holdings Limited (note 3)		12,545,000
Financed by long-term bank loan		10,000,000
Net outlay of working capital		2,545,000
Additions to properties	15,909,000	13,134,000
Reduction in long-term debt	13,066,000	4,726,000
Redemption of preference shares of subsidiary companies	510,000	501,000
Deferred computer systems development costs	109,000	209,000
Dividends	2,292,000	2,375,000
Subsidiary companies dividends paid to minority shareholders	243,000	494,000
Total applications	32,637,000	24,984,000
Increase (decrease) in working capital	(5,974,000)	658,000
Working capital at beginning of year	13,597,000	12,939,000
Working capital at end of year	\$ 7,623,000	\$ 13,597,000

(See accompanying notes)

Consolidated Statement of Financial Position

Maclean-Hunter Limited (incorporated under the laws of Ontario)
December 31, 1977 (with comparative figures at December 31, 1976)

Assets	1977	1976
Current:		
Cash	\$ 881,000	\$ 489,000
Short-term deposits	118,000	1,077,000
Accounts receivable	27,519,000	26,661,000
Inventories	15,238,000	11,881,000
Prepaid expenses	4,937,000	3,865,000
Total current assets	48,693,000	43,973,000
 Investment and advances:		
Affiliated and effectively controlled companies	1,400,000	1,505,000
Other companies (note 6)	1,019,000	989,000
Total investments	2,419,000	2,494,000
 Properties (note 4)	54,416,000	45,888,000
Goodwill (note 2)	32,820,000	28,753,000
Other assets (note 7b)	2,057,000	2,518,000
	\$140,405,000	\$123,626,000

(See accompanying notes)

Maclean-Hunter Limited (incorporated under the laws of Ontario)
 December 31, 1977 (with comparative figures at December 31, 1976)

Liabilities	1977	1976
Current:		
Bank loans (secured by accounts receivable)	\$ 11,262,000	\$ 2,743,000
Accounts payable and accrued charges	20,594,000	16,946,000
Income and other taxes payable	4,367,000	3,335,000
Dividends payable	734,000	672,000
Long-term debt due within one year	1,498,000	4,227,000
Unearned cable TV revenue	2,615,000	2,453,000
Total current liabilities	41,070,000	30,376,000
Unearned net publishing revenue	8,790,000	7,500,000
Long-term debt (note 5)	47,281,000	38,123,000
Deferred income taxes	10,936,000	10,098,000
Minority interest in subsidiary companies (note 8)	1,975,000	9,299,000
Shareholders' equity (note 7):		
Capital	2,680,000	2,416,000
Contributed surplus	1,527,000	1,525,000
Retained earnings	39,274,000	31,842,000
	43,481,000	35,783,000
Less the company's proportionate interest in its shares held by subsidiary companies (note 3)	(13,128,000)	(7,553,000)
	30,353,000	28,230,000
	\$140,405,000	\$123,626,000

On behalf of the Board:

Director

Donald G. Campbell

Director

A. J. Little

Notes to Consolidated Financial Statements

Maclean-Hunter Limited

December 31, 1977

1. Accounting Policies

Consolidation and investments—

The accounts of subsidiaries (ownership greater than 50%) are consolidated with those of the Company from the date of acquisition using the purchase method.

Investments in affiliated (50% ownership) or effectively controlled companies (ownership less than 50%) are carried on the equity basis under which the Company includes its share of their earnings and losses in consolidated income annually, adjusts its investments accordingly and records dividends as a reduction in the investments.

Investments in other companies (ownership less than 50% and not effectively controlled) are carried at cost or at cost less amounts written off.

See table and note 6 for the details of the companies in each of these three categories.

Certain subsidiary companies hold an indirect interest in the shares of the Company. The Company's proportionate interest in the carrying value of such shares has been deducted from shareholders' equity. The proportionate interest in the carrying value of these shares relating to the minority shareholders of the subsidiary companies has been deducted from minority interest in subsidiary companies. The company's earnings per share has been calculated based on the weighted average number of shares outstanding after the elimination of the Company's indirect interest in its own shares. Similarly, dividends declared by the Company, shown in the Consolidated Statement of Income and Retained Earnings, have been reduced by that portion of the dividends which relates to the Company's indirect interest in its own shares (Notes 2, 3, 7, & 8)

Translation of foreign currencies—

The accounts of the Company's foreign subsidiaries are translated into Canadian dollars on the following basis:

- Current assets and current liabilities at the approximate year-end rates of exchange;
- Fixed assets (and related depreciation) and other balance sheet accounts at the rate of exchange prevailing when the assets were acquired or liabilities assumed
- Revenues and expenses (other than depreciation) at the average rate for the year; and
- Gains and losses on translation of foreign currencies are included in income.

Inventories—

Finished goods inventories are valued at the lower of cost and net realizable value. Printing materials are valued at the lower of cost and replacement cost.

Properties—

Land, buildings and equipment are stated at cost. Cable TV plant is stated at cost. During the construction of new cable TV systems, all related expenses are capitalized until service to the first group of subscribers is installed; thereafter, 50% of these expenses is capitalized until the construction is complete.

Depreciation is being recorded at the following rates

which are expected to amortize asset cost over the estimated useful life:

Buildings—5% on diminishing balance

Printing plant and cable TV plant—10% straight line

Communications equipment—10% to 20% straight line

Other plant and equipment—10% or 20% on diminishing balance

Vehicles—30% on diminishing balance

Goodwill

The excess of the cost of acquiring businesses over the value assigned to net tangible assets acquired is included in goodwill. Goodwill is considered to have ongoing value and that portion arising prior to April 1974 is carried in the accounts at cost. Goodwill arising subsequent to April 1974 is being amortized (in accordance with recommendations of the Canadian Institute of Chartered Accountants) on a straight line basis over forty years.

Recognition of publishing revenue—

Revenue from publication subscriptions less the related direct commission cost of acquiring magazine subscriptions is deferred and taken into income over the terms of the various subscriptions. As current assets will not be used to discharge any obligations to subscribers, no portion of the unearned net publishing revenue is included in current liabilities.

2. Investments in Subsidiaries

(a) In July 1977, Maclean-Hunter Limited purchased most of the remaining outstanding shares of Maclean-Hunter Cable TV Limited and CFCN Communications Limited. At December 31, 1977, the Company owned 98.9% (1976-61.7%) of the shares of Maclean-Hunter Cable TV Limited and 99.3% (1976-60.0%) of the shares of CFCN Communications Limited.

These acquisitions have been accounted for as purchases and the excess of the cost to acquire the shares over the proportionate share of the fair value of the net tangible assets acquired amounting to \$12,134,000 is being amortized over forty years in accordance with the accounting policy set out in note 1. Details of these acquisitions are as follows:

Maclean-Hunter	Cable TV	CFCN	Total
Fair value of net tangible assets acquired	\$1,570,000	\$4,369,000	\$5,939,000
Consideration attributable to goodwill — Previously recorded on books of acquired subsidiaries	3,862,000	3,691,000	7,553,000
Increased value on acquisition	4,276,000	305,000	4,581,000
Total	8,138,000	3,996,000	12,134,000
Net assets acquired for cash	\$9,708,000	\$8,365,000	\$18,073,000

(b) During 1977, a subsidiary, Maclean-Hunter Cable TV Limited, acquired a 66 2/3% interest at nominal cost in Metro Home Theatres Inc., a Michigan company.

3. Reciprocal Shareholdings

In 1976, two subsidiaries, CFCN and Maclean-Hunter Cable TV, purchased a non-controlling interest in Maclean-Hunter Holdings and, as a result, at December 31, 1976, the Company owned an indirect interest in 1,029,370 of its own shares and deducted its proportionate share of the carrying value thereof from shareholders' equity.

As a result of the Company's acquisition of additional shares of CFCN and Maclean-Hunter Cable TV in 1977 (note 2), the Company's indirect interest in its own shares has increased and the carrying value of the additional interest has been deducted from shareholders' equity as shown below:

Indirect interest in Company shares held through subsidiary companies		
	Number of shares	Deduction from shareholders' equity
December 31, 1976	1,029,370	\$ 7,553,000
Increase during 1977	664,451	5,575,000
December 31, 1977	1,693,821	\$13,128,000

4. Properties

	1977	1976
Assets at cost:		
Land	\$ 2,194,000	\$ 1,904,000
Buildings and equipment	53,060,000	47,762,000
Cable TV plant	44,962,000	35,840,000
	98,022,000	83,602,000
Less accumulated depreciation	45,800,000	39,618,000
	52,222,000	43,984,000
	\$54,416,000	\$45,888,000

Cable TV plant includes \$6,522,000 (\$6,346,000 in 1976) of assets paid for by the Company, but held under leases from public utility companies with minimum initial terms of 10 years.

5. Long-term debt

	1977	1976
Maclean-Hunter Limited and wholly owned subsidiaries		
Bank loan (secured by accounts receivable) at an interest rate related to the prime bank rate. In 1977, this bank loan was converted into a current operating line of credit of \$13,000,000 and is shown as a current liability.	—	\$12,569,000
Bank term loan (secured by accounts receivable and the shares of Maclean-Hunter Cable TV Limited and CFCN Communications Limited) at an interest rate related to the prime bank rate due as follows:		
1981 — \$1,000,000;		
1982 — \$2,500,000;		
1983 and 1984 — \$5,000,000;		

and 1985 — \$4,065,000.	\$17,565,000	—
Bank term loan due in 1979.	1,260,000	1,210,000
7% note payable maturing in 1982 payable in quarterly instalments of \$59,000 plus interest.	1,184,000	1,421,000
	20,009,000	15,200,000

Maclean-Hunter Cable TV Limited

Bank loan (\$2,400,000 Canadian dollar loan and \$11,925,000 U.S. dollar loan) secured by \$18,150,000 Series "B" debenture at interest rates related to the Canadian prime bank rate on the Canadian loan and the New York prime rate on the U.S. loan to mature no earlier than 1983.	14,325,000	10,300,000
9% Sinking Fund Debentures Series "A" with annual sinking fund requirements of \$750,000 to 1979 and \$1,150,000 in 1980 (\$298,000 of the 1978 sinking fund requirement made in 1977).	2,352,000	2,942,000
Sinking Fund Debentures Series "C" to mature July 1, 1989 at an interest rate of prime bank rate plus 3/4% (but not less than 9 1/2% or greater than 11%) and annual sinking fund requirements of \$250,000 to 1980, \$435,000 from 1981 to 1988 and \$520,000 in 1989.	4,750,000	5,000,000
	21,427,000	18,242,000

CFCN Communications Limited

Bank loan (secured by accounts receivable and a \$12,000,000 debenture) at an interest rate related to the prime bank rate. The maximum line of credit reduces \$1,250,000 in 1978, \$1,600,000 per year from 1979 to 1982 and \$250,000 in 1983.	7,107,000	8,500,000
Other indebtedness	236,000	408,000
	48,779,000	42,350,000
Less portion due within one year	1,498,000	4,227,000
Total long-term debt	\$47,281,000	\$38,123,000

The aggregate amount of principal payments estimated to be required to meet debt obligations in each of the next five years is as follows:

1978	—	\$1,498,000
1979	—	4,124,000
1980	—	3,261,000
1981	—	3,327,000
1982	—	4,772,000

Interest expense of \$4,237,000 includes \$181,000 (1976-\$51,000) of interest on debt initially incurred for a term of less than one year.

The Company has given collateral security in the form of demand notes for the bank loan of \$17,565,000. The loan agreement provides that the bank will not make demand on the notes so long as the terms of the agreement are met.

6. Investment and Advances — Other Companies

Details of investments in other companies are as follows:

	1977	1976
Global Communications Limited		
— common shares	\$ 723,000	\$ 738,000
CTV Television Network Limited		
— common and preferred shares		
and participating debentures	121,000	121,000
Other	175,000	130,000
	\$ 1,019,000	\$ 989,000

The carrying value of the common share investment in Global Communications Limited, amounting to \$723,000 after a receipt of \$15,000 in 1977, is the amount which the Company would realize if the purchase options (issued as a result of the Global refinancing in 1974) for the Company's holdings of Global were exercised in their entirety.

7. Shareholders' Equity

(a) Capital—

Authorized:

10,000,000 Class A and Class B interconvertible participating shares without par value
1,000 Common shares without par value

Issued	Number of shares December 31	
	1977	1976
Class A	6,038,898	6,093,613
Class B	2,281,277	2,195,837
Total	8,320,175	8,289,450

The paid-up capital for the 8,320,175 (8,289,450 in 1976) issued Class A and Class B shares of the Company is \$2,680,000 (\$2,416,000 in 1976).

As set out in note 1, the Company is considered, for accounting purposes, to have an indirect interest in 1,693,821 of its issued shares (1,029,370 in 1976). Accordingly, the Company's earnings per share and dividends are calculated with reference to the remaining 6,626,354 issued shares (7,260,080 in 1976).

(b) Senior employee stock participation plan

400,000 Class B shares have been set aside for purposes of a Stock Participation Plan for certain senior employees of the Company under which designated employees may purchase shares at the market price at the time of purchase. All of the 400,000 shares have been allotted and at December 31, 1977, 320,175 shares had been purchased and 79,825 shares remain available for purchase during 1978. During the year 30,725 Class B shares were issued for a total cash consideration of \$264,000.

In accordance with the provisions of the Plan, the Company has made interest-free loans available to finance these purchases. These loans are to be repaid over a maximum period of ten years. At December 31,

1977, the balance of such loans was \$1,778,000 (including \$573,000 to directors and officers) which is included in Other Assets in the Consolidated Statement of Financial Position. Shares purchased under the Plan are held in trust until the loans have been paid.

(c) Share transfer restriction—

The Company's articles confer upon it the right to refuse to register a transfer of any shares in the capital of the Company that may in the opinion of the directors adversely affect the status of the Company under the licensing provisions of the Broadcasting Act of Canada, or the status as a Canadian publication of any newspaper or periodical published by the Company.

(d) Retained earnings—

Canadian income tax law defines the concepts of "1971 undistributed income on hand" and "1971 capital surplus on hand." Until December 31, 1978, a corporation may elect that all or part of a dividend payment be deemed to come from these balances. Dividends which are not currently taxable to shareholders (but which reduce the adjusted cost base on their shares for income tax purposes) may be declared and paid by the Company on Class B shares during 1978.

During 1976, the Company exhausted its 1971 undistributed income on hand and began paying dividends on its Class B shares out of 1971 capital surplus on hand. At December 31, 1977, the 1971 capital surplus on hand amounted to approximately \$21,300,000.

(e) Dividends—

Dividends paid on Class B shares are equivalent to those paid on Class A shares after consideration of the 15% tax which was paid in 1976 to create tax paid undistributed surplus out of 1971 undistributed income on hand. During the year the following dividends were declared:

	1977	1976
Class A shares —		
33.0¢ per share (1976 - 31.2¢)	\$1,985,000	\$1,639,000
Class B shares —		
33.0¢ per share (1976 - 31.2¢) less tax of 2.6¢ per share)	758,000	826,000
	2,743,000	2,465,000
Tax paid on 1971 undistributed income on hand	—	154,000
Total	2,743,000	2,619,000
Less dividends on shares eliminated to reflect the Company's indirect interest in its own shares	451,000	244,000
Net charge to retained earnings	\$2,292,000	\$2,375,000

(f) Contributed surplus—

Contributed surplus was increased by \$2,000 during the year (1976-\$8,000) as a result of a gain on redemption of subsidiary company preference shares.

8. Minority interest in subsidiary companies

	1977	1976
Minority interest in subsidiary companies	\$2,068,000	\$14,291,000
Less the minority shareholders' indirect interest in the carrying value of shares of the Company held through subsidiaries	93,000	4,992,000
	\$ 1,975,000	\$ 9,299,000

Minority interest in subsidiary companies was substantially reduced as a result of the acquisition of additional shares of Maclean-Hunter Cable TV Limited and CFCN Communications Limited by the Company as described in note 2.

9. Contingent Liabilities and Commitments

(a) As at December 31, 1977, there were pending against the Company lawsuits arising in the ordinary course of business. Based on the opinion of counsel retained to defend these lawsuits, management is of the opinion that recoveries, if any, by the plaintiffs will not be material and no provision has been made in the accounts of the Company.

(b) The Company and its subsidiaries are committed to make lease payments aggregating \$2,900,000 annually for periods of up to 14 years relating to premises and equipment.

(c) The Company is committed to capital acquisitions in 1978 in the amount of approximately \$4,200,000 which are expected to be financed out of working capital.

10. Anti-Inflation Program

Under the Federal government's Anti-Inflation Program, the Company and its domestic subsidiaries are subject to mandatory compliance with legislation which controls prices, profit margins, compensation, and dividends.

Management is of the opinion that compliance with the requirements of the legislation is being met. In a few situations, excess revenues have been determined and compliance plans, essentially involving the maintenance of existing pricing structures, have been agreed with the Anti-Inflation Board. As a result, no provision for such excess revenues has been made.

Dividends to the Company's shareholders during the twelve month period ending October 31, 1978 may not exceed 34.3¢ per share.

11. Reclassification of Accounts

Certain reclassifications have been made in the accounts in 1977 and the 1976 figures submitted for comparative purposes have been adjusted to conform with the 1977 classifications.

12. Statutory Information

The aggregate direct remuneration of directors and senior officers (as defined in The Business Corporations Act, Ontario—totalling 22 individuals in 1977 and 20 individuals in 1976) amounted to \$981,000 in 1977, \$874,000 in 1976.

13. Subsequent Event

Subject to the approval of the Canadian Radio-Television and Telecommunications Commission, CKEY Limited has agreed to purchase CKOY Limited, operating CKOY and CKBY-FM radio stations in Ottawa, for approximately \$3,100,000.

Auditors' Report

To the Shareholders of
Maclean-Hunter Limited:

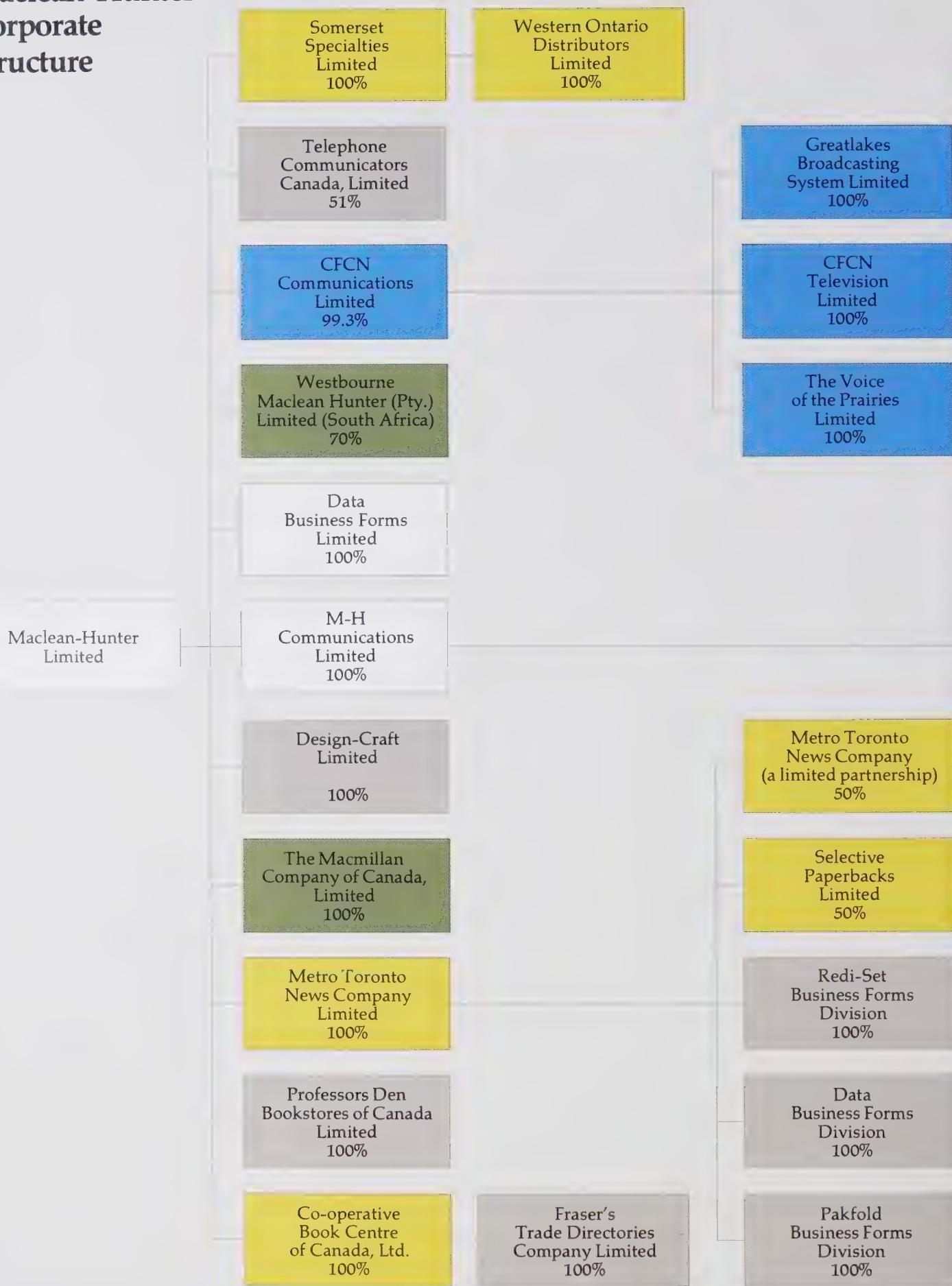
We have examined the consolidated statement of financial position of Maclean-Hunter Limited as at December 31, 1977 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of Maclean-Hunter Limited and those subsidiaries of which we are the auditors was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. For those subsidiaries of which we are not the auditors, we have relied on the reports of other auditors.

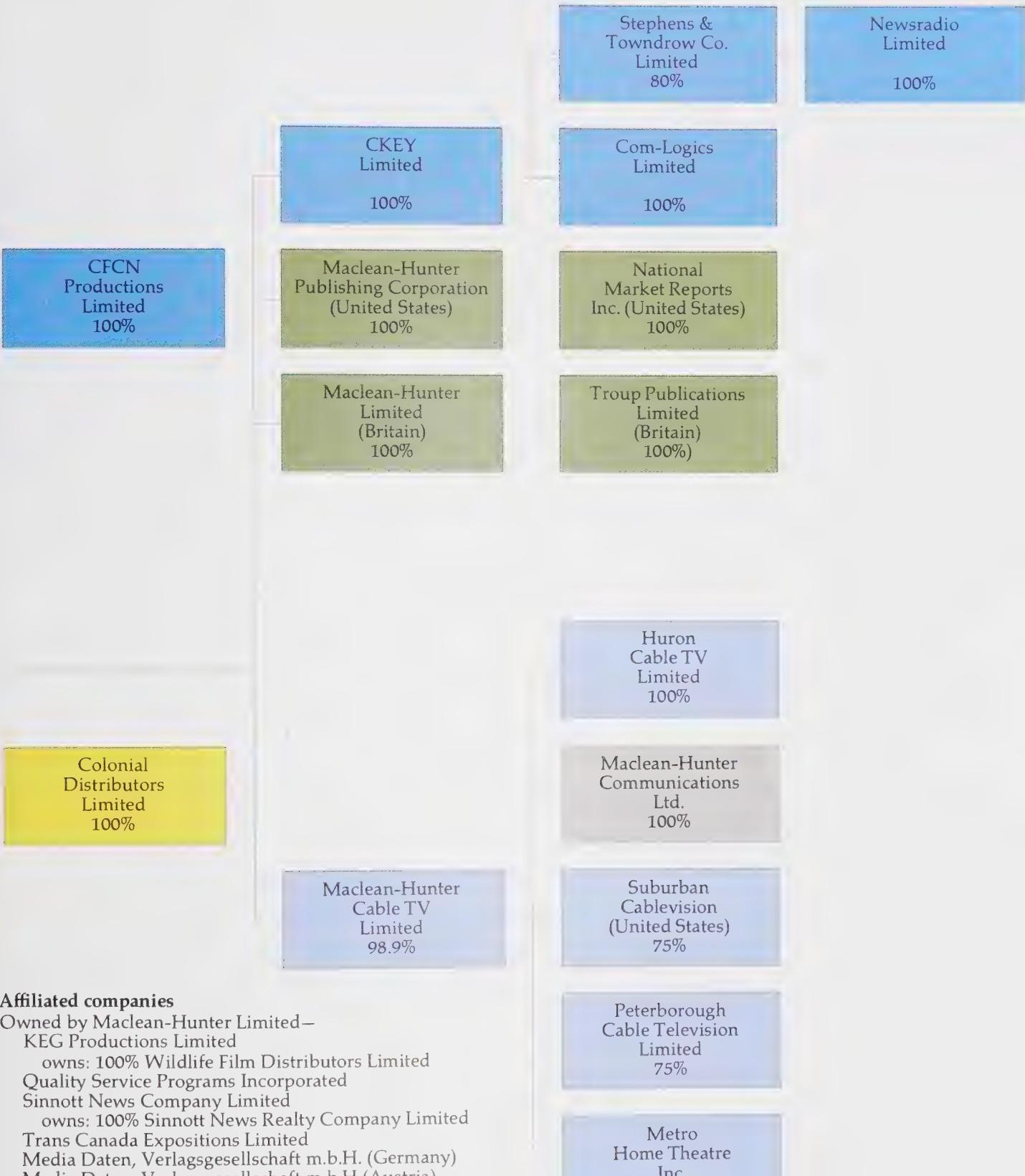
In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1977 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 16, 1978.

Chartered accountants

Maclean-Hunter Corporate Structure





M-H

Ten-Year Summary

Maclean-Hunter Limited (\$000s omitted)

	1977	1976	1975
Income			
Revenue			
Periodicals and books — Publishing	\$ 90,059	\$ 78,221	\$ 68,711
— Distribution	39,632	35,377	30,801
Broadcasting	21,665	18,890	15,401
Cable TV	23,322	18,822	14,776
Business forms and other activities	23,585	23,973	21,989
Total Revenue	\$198,263	\$175,283	\$151,678
Expenses			
Operating expenses	\$165,785	\$147,963	\$127,752
Depreciation	7,619	6,154	5,081
Interest expense	4,237	3,517	2,750
Total Expenses	\$177,641	\$157,634	\$135,583
Income before taxes	\$ 20,622	\$ 17,649	\$ 16,095
Income taxes	9,850	8,430	8,103
Income before following items	10,772	9,219	7,992
Share of net income (losses) of affiliated or effectively controlled companies	201	108	(81)
Deduct minority interest	1,249	2,185	1,827
Income before extraordinary items	9,724	7,142	6,084
Extraordinary items	....	....	(191)
Consolidated net income	\$ 9,724	\$ 7,142	\$ 5,893
Net flow of funds from operations	\$21,611	\$ 18,203	\$ 16,294
Dividends paid	2,743	2,465	2,194
Year-end financial position			
Current assets	48,693	43,973	40,077
Less: Current liabilities	41,070	30,376	27,138
Working Capital	\$ 7,623	\$ 13,597	\$ 12,939
Properties	\$ 54,416	\$ 45,888	\$ 38,907
Total assets	140,405	123,626	112,454
Unearned net publishing revenue	8,790	7,500	6,088
Long-term debt	47,281	38,123	26,545
Deferred income taxes	10,936	10,098	10,040
Minority interest in subsidiary companies	1,975	9,299	13,302
Shareholders' equity	\$ 30,353	\$ 28,230	\$ 30,047
Per share data*			
Consolidated net income before extraordinary items	\$1.39	95.3¢	74.7¢
Consolidated net income after extraordinary items	\$1.39	95.3¢	72.4¢
Net flow of funds from operations	\$3.09	242.1¢	200.1¢
Dividends paid			
On Class A stock	33.0¢	31.2¢	30.0¢
On Class B stock	33.0¢	28.6¢	25.5¢
Ratios			
Consolidated net income before extraordinary items			
as a percentage of revenue	4.9	4.0	4.0
Consolidated net income after extraordinary items			
as a percentage of revenue	4.9	4.0	3.9
Ratio of current assets to current liabilities	1.2	1.4	1.5

* Per share data is based on an average of 6,989,267 shares outstanding for 1977, 7,495,482 shares for 1976, 8,142,883 shares for 1975, 8,039,475 shares for 1974 and 8,000,000 shares for 1973 and prior years.

1974	1973	1972	1971	1970	1969	1968
\$ 61,432	\$ 56,784	\$ 46,940	\$ 41,756	\$ 41,731	\$ 41,754	\$ 37,258
26,708	21,761	3,123	2,807	328	....	....
13,435	11,305	10,114	8,631	7,687	6,907	4,747
12,259	10,422	8,980	7,732	4,930	3,151	1,227
18,475	12,089	10,718	7,905	6,465	6,777	4,461
\$132,309	\$112,361	\$ 79,875	\$ 68,831	\$ 61,141	\$ 58,589	\$ 47,693
\$111,841	\$ 95,138	\$ 64,958	\$ 57,170	\$ 52,042	\$ 48,683	\$ 41,854
4,222	3,615	2,965	2,456	1,955	1,561	1,031
3,168	1,904	1,014	1,165	728	774	392
\$119,231	\$100,657	\$ 68,937	\$ 60,791	\$ 54,725	\$ 51,018	\$ 43,277
\$ 13,078	\$ 11,704	\$ 10,938	\$ 8,040	\$ 6,416	\$ 7,571	\$ 4,416
6,371	5,968	5,184	4,053	3,380	4,009	2,295
6,707	5,736	5,754	3,987	3,036	3,562	2,121
34	69	15	32	16	(19)	(67)
1,477	786	1,053	545	395	32	....
5,264	5,019	4,716	3,474	2,657	3,511	2,054
(1,196)	....	....	41	438	254	111
\$ 4,068	\$ 5,019	\$ 4,716	\$ 3,515	\$ 3,095	\$ 3,765	\$ 2,165
\$ 12,921	\$ 10,407	\$ 9,545	\$ 7,589	\$ 6,220	\$ 6,119	\$ 4,172
2,168	2,087	1,764	1,377	1,332	1,110	1,110
35,170	27,878	22,152	14,455	13,015	12,248	9,440
21,943	22,134	17,211	10,384	11,042	21,639	7,411
\$ 13,227	\$ 5,744	\$ 4,941	\$ 4,071	\$ 1,973	\$ (9,391)	\$ 2,029
\$ 34,217	\$ 29,253	\$ 24,023	\$ 21,871	\$ 20,360	\$ 16,349	\$ 11,665
102,721	90,295	72,666	54,353	49,564	42,803	30,959
5,676	5,109	4,303	4,164	4,187	4,136	3,926
28,942	21,095	12,494	11,500	9,340	....	6,007
7,305	6,003	5,838	5,117	3,870	3,180	2,649
12,524	11,980	11,513	5,744	5,727	510	194
\$ 26,331	\$ 23,974	\$ 21,307	\$ 17,444	\$ 15,398	\$ 13,338	\$ 10,772
65.5¢	62.7¢	58.9¢	43.4¢	33.2¢	43.9¢	25.7¢
50.6¢	62.7¢	58.9¢	43.9¢	38.7¢	47.1¢	27.1¢
160.7¢	130.1¢	119.3¢	94.8¢	77.8¢	76.5¢	52.2¢
30.0¢	29.0¢	24.8¢	18.8¢	18.0¢	15.0¢	15.0¢
25.5¢	24.8¢	20.9¢	16.0¢	15.3¢	12.8¢	12.8¢
4.0	4.5	5.9	5.0	4.4	6.0	4.3
3.1	4.5	5.9	5.1	5.1	6.4	4.5
1.6	1.3	1.3	1.4	1.2	.6	1.3

Directors and Officers

* Director

Maclean-Hunter Limited

Toronto

(416) 595-1811

* Donald G. Campbell
Chairman &
Chief Executive Officer

* Frederick T. Metcalf
President &
Chief Operating Officer

* Lorne R. Clark
Vice-President, Finance

* George W. Gilmour
Vice-President,
The Financial Post &
International Operations

* Lloyd M. Hodgkinson
Vice-President, Magazines

* Edward Nymark
Vice-President,
Printing & Business Forms

* Robert W. Robertson
Vice-President,
Business Publications

* Floyd S. Chalmers
* Paul S. Deacon
Publisher,

The Financial Post

* John M. Holton

* Arthur J. Little

* Peter C. Newman
Editor, Maclean's

* Gordon P. Osler

* William P. Wilder

Herbert G. Marshall
Vice-President, Broadcasting

Matthew B. Fyfe
Controller & Treasurer

* Harvey T. M. Botting
Corporate Secretary

Ernest J. Cozens

Assistant Treasurer

Philip P. Patterson

Assistant Treasurer

Jane Wile

Assistant Secretary

Business Forms Division, Metro Toronto News Company Limited, Toronto

(416) 677-1490

Edward Nymark
Chairman & President

John Greenhough

Executive Vice-President

John B. Hoyle

Vice-President &

General Manager,

Pakfold Business Forms

Alec Gardiner

Vice-President, Sales

Data Business Forms

Donald G. Campbell

Frederick T. Metcalf

Lorne R. Clark

Matthew B. Fyfe

Secretary

CFCN Communications Limited Calgary

(403) 246-7111

* Donald G. Campbell
Chairman of the Board

* Edward W. Chapman

President

* Robert W. Lamb

* Sven Erickson

* J. Edward O'Connor

* Herbert G. Marshall

Gerald J. Luciani

Secretary-Treasurer

CFCN Television Limited and The Voice of the Prairies Limited, Calgary

(403) 246-7111

* Donald G. Campbell
Chairman of the Board

* Edward W. Chapman

President

* Norman Haines

Vice-President-Manager (Radio)

* John F. Ruttle

Vice-President-Manager (TV)

* Frederick T. Metcalf

* Herbert G. Marshall

* Robert W. Lamb
* J. Edward O'Connor
* Gerald J. Luciani
Vice-President, Finance &
Secretary-Treasurer
Ronald I. Nordquist
Vice-President, Engineering
H. Thompson Macdonald
Vice-President, News
& Public Affairs

CKEY Limited, Toronto

(416) 361-1281

* Donald G. Campbell
Chairman of the Board
* Douglas C. Trowell
President
* Stuart C. Brandy
Vice-President &
General Manager
* Herbert G. Marshall
Dorman G. Ulens
Secretary-Treasurer

Co-Operative Book Centre of Canada Limited, Toronto

(416) 751-3530

* Donald G. Campbell
Chairman of the Board
* George M. Harwood
President
* John M. Smith
Secretary & Controller
* Lorne R. Clark
* George W. Gilmour
* Frederick T. Metcalf

Design-Craft Limited, Toronto

(416) 252-3361

* Donald G. Campbell
Chairman of the Board
* George W. Gilmour
President
* Robert M. Gowdy
Vice-President
* George W. Rodda
General Manager
* K. Bernice Martin
Comptroller
* Lorne R. Clark
Treasurer
Harvey T. M. Botting
Secretary

Greatlakes Broadcasting System Limited, Kitchener-Chatham

(519) 743-2611

* Donald G. Campbell
President &
Chairman of the Board
* Douglas C. Trowell
Executive Vice-President
* John E. Larke
Vice-President & General
Manager - CHYM-AM, CKGL-FM
* Donald E. Reiffenstein
Vice-President &
General Manager - CFCO
* Herbert G. Marshall
Dorman G. Ulens
Secretary-Treasurer

Maclean-Hunter Cable TV Limited, Toronto

(416) 675-5930

* Donald G. Campbell
Chairman of the Board
* Frederick T. Metcalf
President
* J. Barry Gage
Executive Vice-President
* Gilbert A. Allard
* Colin M. Brown
* Lorne R. Clark
* Robert J. Prettie
John Haughey
Vice-President, Finance &
Secretary-Treasurer
* Charles K. Overland

Maclean-Hunter Communications Ltd., Toronto

(416) 249-8455

* Frederick T. Metcalf
Chairman of the Board

* Gilbert A. Allard
President
* J. Barry Gage
Secretary-Treasurer
* Donald G. Campbell

Maclean-Hunter Limited, London, England

01-437-0644

* George W. Gilmour
Chairman of the Board
* Robin M. Cobb
Deputy Chairman &
Managing Director
* Gerald J. Brigg
Deputy Managing Director
* G. M. James
* Peter Lister
* Moss J. A. Walters
John Garner
Financial Controller
Marjorie Price
Secretary

Maclean-Hunter Publishing Corporation, Chicago, U.S.A.

(312) 726-2802

* Donald G. Campbell
Chairman of the Board
* Joseph J. O'Neill
President & Treasurer
* Mae J. Sylvester
Secretary
* George W. Gilmour
* John F. Heffinger

Macmillan Company of Canada Limited, Toronto

(416) 362-7651

* Donald G. Campbell
Chairman of the Board
* George W. Gilmour
President
* J. William Baker
Vice-President &
General Manager
* Gladys E. Neale
Vice-President
Robert J. Stuart
Vice-President
J. S. White
Vice-President
* Doris H. Anderson
* Floyd S. Chalmers
* John M. Gray
T. B. McDonald
Controller & Secretary

Metro Toronto News Company Limited, Toronto

(416) 752-8720

* James B. Neill
President
* Alex C. Petraitis
Vice-President &
Secretary
* John H. Douwes
Vice-President, Operations
* Larry Cohen
Vice-President, Marketing

National Market Reports, Inc., Chicago, U.S.A.

(312) 427-3464

* Joseph J. O'Neill
Chairman of the Board
* John F. Heffinger
President
* Mae J. Sylvester
Secretary-Treasurer
* Donald G. Campbell
* George W. Gilmour
Emily Allen
Assistant Secretary

Westbourne-Maclean Hunter (PTY) Limited, Johannesburg, South Africa

22 1751

* George W. Gilmour
Chairman of the Board
* Peter Latham
Managing Director
* Donald G. Campbell
* Maurice E. Newbound

Company Addresses

Toronto

Maclean-Hunter Limited
481 University Avenue
Toronto, Ontario M5W 1A7
(416) 595-1811

Maclean-Hunter Cable TV Limited
27 Fasken Drive
Rexdale, Ontario M9W 1K7
(416) 675-5930

Montreal

Maclean-Hunter Limited
625 President Kennedy Avenue
Montreal, P.Q. H3A 1K5
(514) 845-5141

Ottawa

Maclean-Hunter Limited
Financial Post & Business Publications
Ste. 311, 151 Sparks Street
Ottawa, Ontario K1P 5E3
(613) 236-0895

Maclean-Hunter Limited
Consumer Magazine Division
National Press Building
Ste. 507, 150 Wellington Street
Ottawa, Ontario K1P 5A4
(613) 233-8401

Calgary

Maclean-Hunter Limited
Oilweek, 200-918-6 Avenue S.W.
Calgary, Alta. T2P 0V5
(403) 266-5621

CFCN Communications Limited
Broadcast House
Calgary, Alta. T3C 3L9
(403) 246-7111

Edmonton

Maclean-Hunter Limited
942-10830 Jasper Avenue
Edmonton, Alta. T5J 2B3
(403) 428-6886

Vancouver

Maclean-Hunter Limited
Ste. 600, 1111 Melville Street
Vancouver, B.C. V6E 3V6
(604) 683-8254

U.S.A.

Maclean-Hunter Publishing Corp.
300 West Adams
Chicago, Ill. 60606
(312) 726-2802

United Kingdom
Maclean-Hunter Limited
30 Old Burlington Street
London W1X 2AE
01 437-0644

Austria

Media Daten Osterreichs
1180 Wien
Weirmarer Strasse 27
344-9555

France

Tarif Media S.A.
6 Avenue Matignon
75008 Paris
225-7853

West Germany

Media Daten
Verlagsgesellschaft m.b.H.
6500 Mainz Kaiserstrasse 58
(06131) 94 044

Italy

Dati e Tariffe Pubblicitarie, S.p.a.
Viale Scarampo 19
Milano 20148
498 2 310

South Africa

Westbourne-Maclean Hunter (Pty.) Ltd.
P.O. Box 6110
Johannesburg 2000
22 1751

Brazil

Corena Ltda.
Caixa Postal 30493
Sao Paulo
227 1022

Switzerland

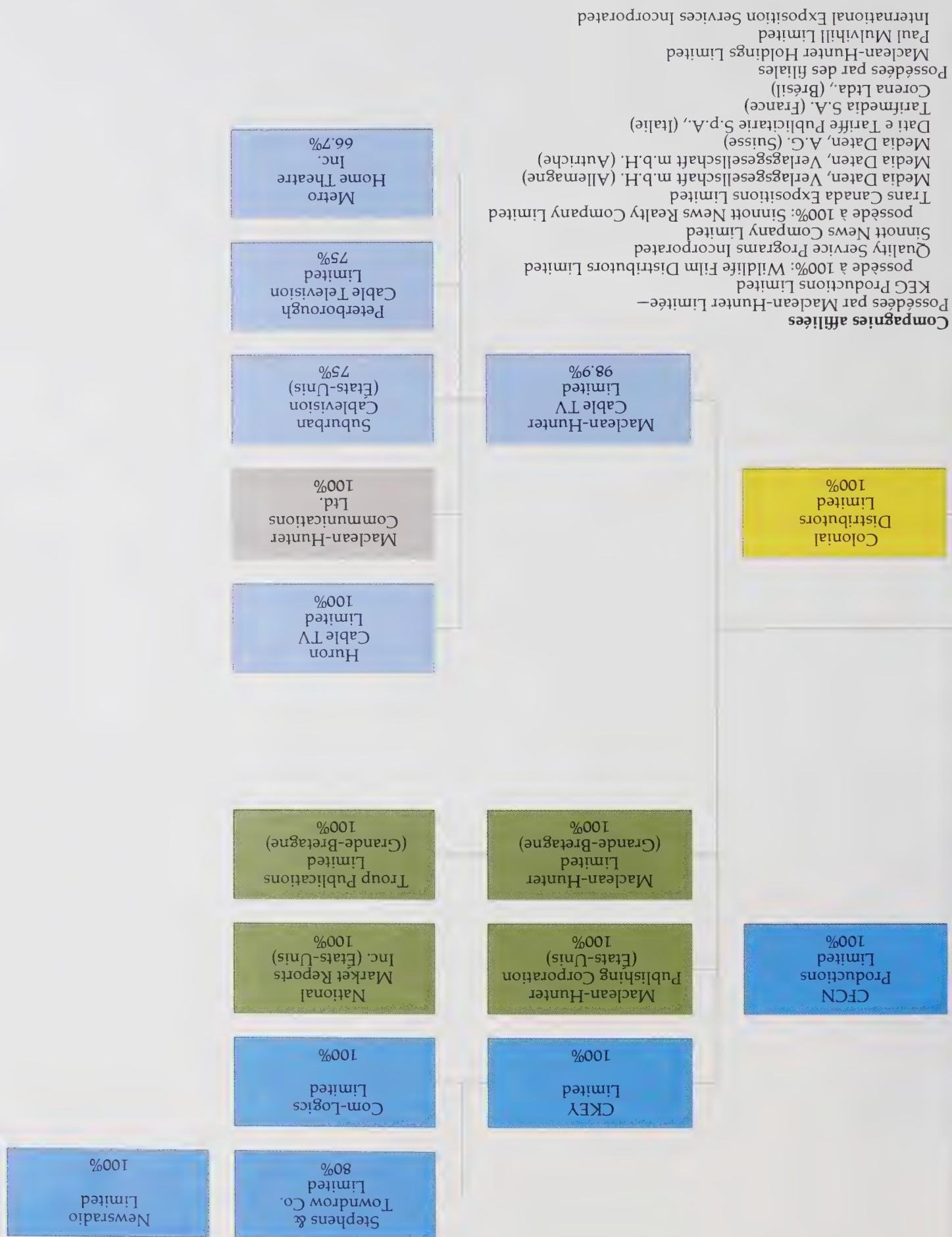
Media Daten AG
Malz Strasse 17
8045 Zurich
6615 22

Addressees

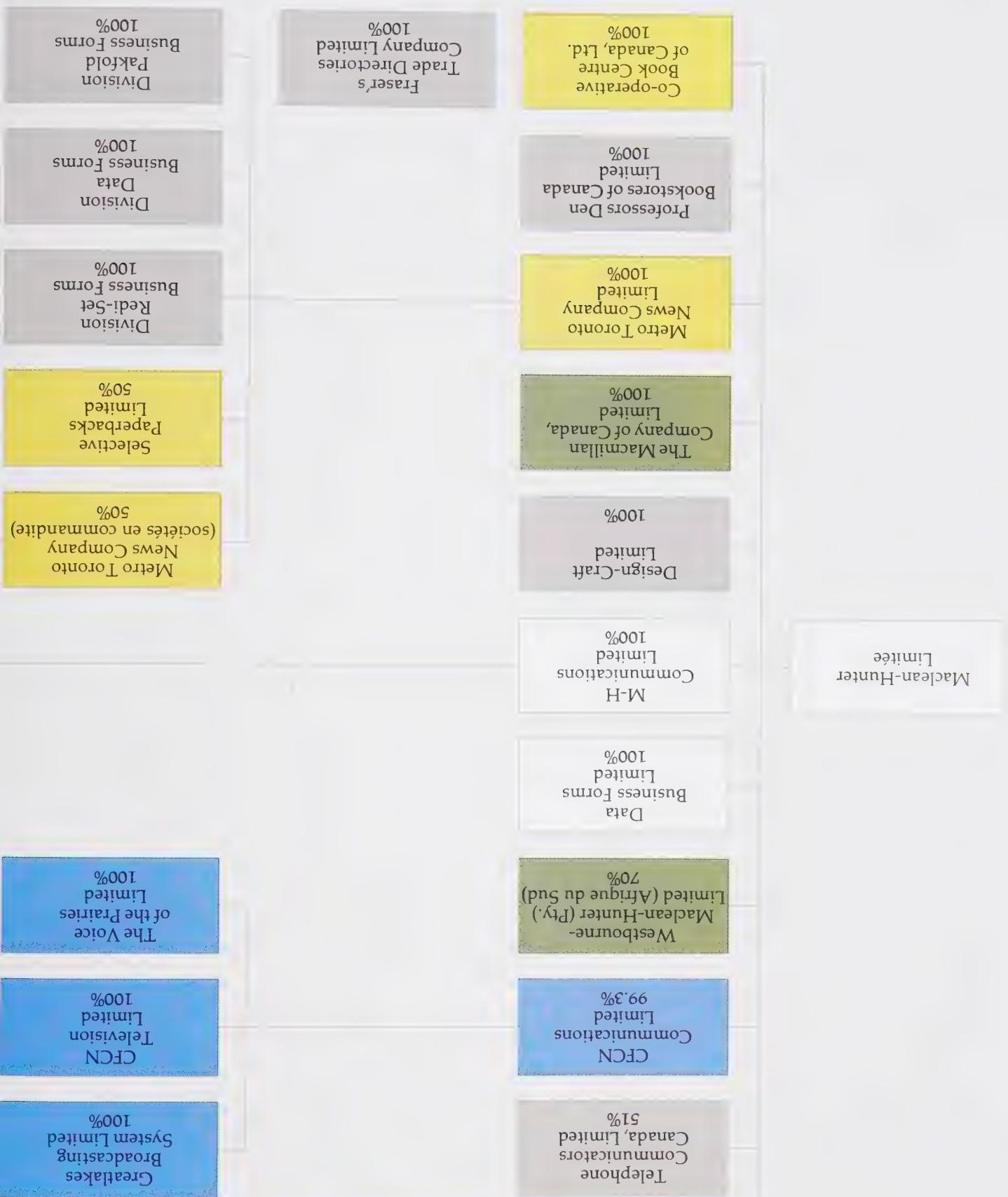
Sommaire décentral

Maclean-Hunter Limitee (en millions de dollars)

Periodiques et livres — Edition	\$ 68,711	\$ 78,221	\$ 90,059	\$ 39,632	\$ 35,377	\$ 18,990	21,665	23,322	18,822	23,585	23,585	23,585	23,585	Total des revenus	
Distribution														Télédistribution	
Formules d'affaires et autres activités														Formules d'affaires et autres activités	
Total des revenus														Debts distribuition	
\$151,678	\$175,283	\$198,263	\$198,263	\$14,770	\$15,401	\$15,401	\$15,401	\$15,401	\$15,401	\$15,401	\$15,401	\$15,401	\$15,401	Debts expenses	
Amortissements														Amortissements	
Depenses d'exploitation														Depenses	
\$127,755	\$147,963	\$165,785	\$165,785	\$7,619	6,154	6,154	8,430	9,850	10,772	9,219	8,430	9,850	10,772	Benefice avant les postes suivants	
Depenses dr'intret														Depenses dr'intret	
Total des depenses														Total des depenses	
\$135,581	\$135,581	\$16,092	\$16,092	8,102	7,992	7,992	8,102	9,185	108	201	1,249	9,724	108	Benefice avant postes extrordinaires	
Dependre participation minoritaire														Dependre participation minoritaire	
Participation aux benefices (peretes) nets														Participation aux benefices (peretes) nets	
Benefice avant postes extrordinaires														Benefice avant postes extrordinaires	
(81)	1,821	6,082	6,082	1,821	6,082	6,082	1,821	2,142	9,724	1,249	2,185	2,185	1,249	2,142	Dependre participation minoritaire
Dependre participation minoritaire														Dependre participation minoritaire	
Moins: Passif à court terme														Moins: Passif à court terme	
Fonds de roulement														Fonds de roulement	
Total de L'actif														Total de L'actif	
Proprietes														Proprietes	
Revenu net non gagne d'édition														Revenu net non gagne d'édition	
Dette à long terme														Dette à long terme	
Impôts sur le revenu reportés														Impôts sur le revenu reportés	
Participation minoritaire dans des filiales														Participation minoritaire dans des filiales	
Avoir des actionnaires														Avoir des actionnaires	
Dividende versés														Dividende versés	
Donnees par action*														Donnees par action*	
Bénéfice net consolidé avant postes extrordinaires														Bénéfice net consolidé avant postes extrordinaires	
comme pourcentage des revenus														comme pourcentage des revenus	
Bénéfice net consolidé après postes extrordinaires														Bénéfice net consolidé après postes extrordinaires	
Rapport de l'actif à court terme avec le passif à court terme														Rapport de l'actif à court terme avec le passif à court terme	
3.0.0	4.0.	4.0.	4.9.	4.9.	4.9.	4.9.	4.9.	4.9.	4.9.	4.9.	4.9.	4.9.	4.9.	3.0.0.	Les donnes par action sont fondées sur la moyenne de 6,989,267 actions en 1977, 7,495,482 actions en 1976, 8,142,883 actions en 1975.
1.4.	1.4.	1.4.	1.2.	1.2.	1.2.	1.2.	1.2.	1.2.	1.2.	1.2.	1.2.	1.2.	1.2.	1.4.	MACLEAN-HUNTER LIMITEE



Structure organique de Maclean-Hunter



Rapport des vérificateurs

9. Passif éventuel et engagements

8. Participation minoritaire dans filiales	1977	1976	Participation minoritaire dans filiales	Moins la participation indirecte de la participation minoritaire dans la valeur comparable des actions de la compagnie détenues par des filiales
des filiales	\$2,068,000	\$14,291,000	Moins la participation indirecte de la participation minoritaire dans la valeur comparable des actions de la compagnie détenues par des filiales	de la participation minoritaire dans la valeur comparable des actions de la compagnie détenues par des filiales
des filiales	\$1,975,000	\$ 9,992,000	93,000	4,992,000

A. J. Little

administrateur

Donald G. Campbell

administrateur

Au nom du Conseil:

Passif à court terme:	
Empreunts bancaires (garantis par des comptes à recevoir)	\$ 2,743,000
Comptes à payer et frais courus	16,946,000
Impôts sur le revenu et diverses taxes à payer	4,367,000
Dividendes à payer	734,000
Dettes à long terme en dégâts d'un an	1,498,000
Revenu non gagné de télédistribution	2,615,000
Total du passif à court terme	30,376,000
Revenu net non gagné d'édition	8,790,000
Dette à long terme (note 5)	47,281,000
Impôts sur le revenu reportés	10,936,000
Participation minoritaire dans des filiales (note 8)	10,098,000
Avort des actionnaires (note 7):	9,299,000
Capital	2,416,000
Surplus d'appart	1,527,000
Bénéfices non répartis	31,842,000
Moins la participation proportionnelle	35,783,000
de la compagnie dans ses actions détenues par des filiales (note 3)	(7,553,000)
28,230,000	
\$140,405,000	
\$123,626,000	

Maclean-Hunter Limitee (Constituee selon les lois de l'Ontario) 31 decembre 1977 (avec chiffres comparatifs au 31 decembre 1976)

Etat consolidé de la situation financière

31 décembre 1977 (avec chiffres comparatifs au 31 décembre 1976)

Actif à court terme:		
Encaisse	\$ 881,000	\$ 489,000
Dépôts à court terme	118,000	1,077,000
Comptes à recevoir	27,519,000	26,661,000
Stocks	15,238,000	11,881,000
Frais payés d'avance	4,937,000	3,865,000
Total de l'actif à court terme	48,693,000	43,973,000
Placements et avances:		
Compagnies affiliées ou sous contrôle effectif	1,400,000	1,505,000
Autres compagnies (note 6)	1,019,000	989,000
Total des placements	2,419,000	2,494,000
Propriétés (note 4)	54,416,000	45,888,000
Achalandage (note 2)	32,820,000	28,753,000
Autres éléments d'actif (note 7b)	2,057,000	2,518,000
Actif	1977	1976

Etat consolidé des bénéfices et des bénéfices non répartis

(Classes A et B)

(Classes A et B)

Bénéfice par action du capital-actions

\$1.39

Maclean-Hunter Limited Pour l'exercice terminé le 31 décembre 1977 (avec chiffres comparatifs pour l'exercice 1976)

Autres services

Frasers' Trade Directories Co., Ltd., qui publie un annuaire commercial général et un annuaire semblable sur la marche. Des conditions défavorables du marché, Maclean-Hunter Research réalise des bénéfices en 1977. Les services suivants ont aussi une forte croissance en 1977 en dépit des conditions défavorables du marché. Maclean-Hunter Research réalise des bénéfices en 1977. Les services suivants ont aussi une forte croissance en 1977 en dépit des conditions défavorables du marché.

Tant que Design-Craft prévoient une bonne année en 1978, soit parallèles par ITS. Tant que ITS que Design-Craft prévoient une bonne année en 1978, Services, Inc., filiale de Design participation de 50% de Design-Craft fait office d'entrepreneur officiel assurant les services et la localisation pour les expositions et des congrès qui se tiennent dans les hôtels du centre-ville de Toronto, y compris le Sheraton Centre. Cette société a obtenu d'heureux résultats en 1977.

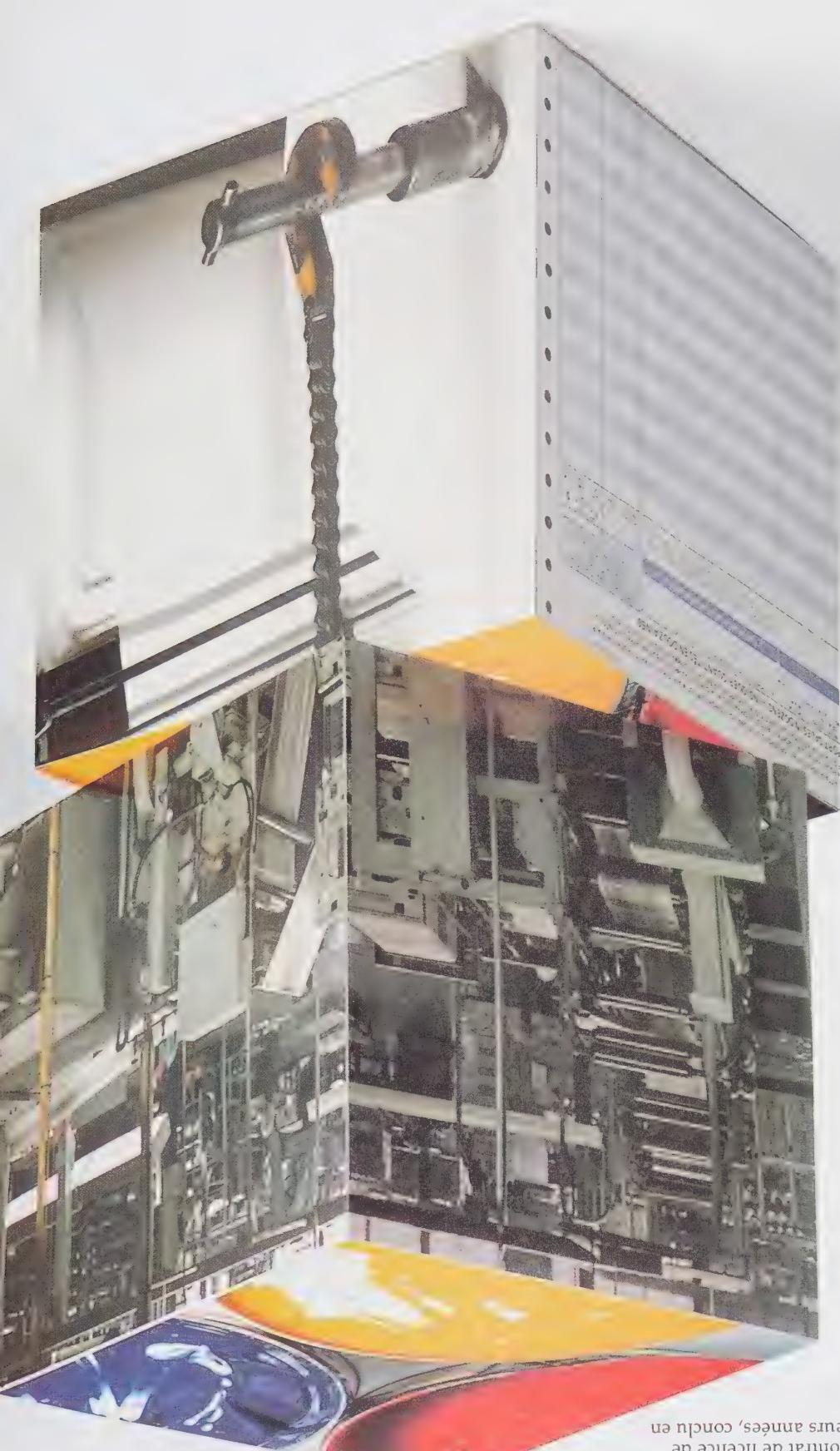
Société de procéder à un contôle plus étroit de la planification de la production et de la clientèle éventuelle à Pakofra Business Forms de Nagara Falls en Ontario est un fabricant de formulaires spéciaux qui recourt aux directeurs régionaux pour promouvoir la vente de ses produits dans les périodes aussi qu'aux imprimeries d'autres fabriques de formulaires commerciaux. Les ventes et les bénéfices sont démentes à La Société qui continue de concentrer ses efforts sur les séminaires organisées à l'occasion d'une convention des concessionnaires et le service à la clinique devrait obtenir des résultats meilleurs que les années passées.



Commercial Exposition

A photograph of a modern interior space featuring a large, circular, light-colored stone or ceramic sink with a dark, textured base. The sink is set into a white countertop with a blue and white patterned tile backsplash. In the background, there's a red shelving unit, a window with dark curtains, and a brick wall.

Industry Trial Trade Shows of Canada (ITS) est propulsée de la direction de six autres en vertu de contrats. ITS lance quatre nouvelles expositions durant l'année : Contracts & Architectural Expositions, Showcases pour les marchés des marchés commerciaux et des compagnies architecturales, Canadian Home Improvement Show, Centre rond à la Lumber Association of Ontario, Personal Computing Showcase pour les amateurs d'ordinateurs et Concrete Canada qui se tient à l'occasion de l'Assemblée annuelle de l'American Concrete Institute à Toronto.



Redi-Set Business Forms de Don Mills en Ontario, fabriquant récipients et étiquettes étagelées à la vente pour l'industrie et les affaires. L'Ontario et le Québec, aussi connu une année de bénéfices limités. Cependant, le lancement de son propre prix courant en 1977 permettra à la

1977 entre la Société Data et Transkit Corporation à la d'Elmsford à New-York pour la fabrication, réexportation à la nouvelle produit important à la société en 1978.

Ontario, fabricant réexportant à la vente directe et possédant sept bureaux de vente au pays, les ventes sont augmentées et les bénéfices légerement, et les bénéfices avant impôts ont diminué de 17%, baissé du reflet les conditions de l'industrie, concilié avec la concurrence dans l'agglomération touristique, la rue Yonge à l'intersection de Maclean-Hunter, située à l'intersection de la route 401 et l'une des plus grandes imprimeries et l'une des plus publiques imprimantes du Canada.

L'imprimerie de Maclean-Hunter, située à l'intersection de la route Yonge à l'intersection de la route 401 et l'une des plus grandes imprimeries et l'une des plus publiques imprimantes du Canada.

Le service d'impression général des Maclean-Hunter et tous ses magazines spéciales servent d'intérêt particulier et de publicité au consommateur. La société estime à \$80 millions la part du marché de l'impression commerciale qui appartient à une nouvelle imprimerie de 32 pages en achet d'une nouvelle presse totalestant \$4,25 millions pour M-H approuve des dépenses conséil d'administration de l'impression au Canada, le l'impression dans le marché de photographie et catalogues. Pour maintenir la position de leader mondiale Harris a développé une installation de l'imprimerie entièrement dédiée à la nouvelle imprimerie de M-H imprimeuses MOFAS de photocomposition à grande vitesse fut livrée en février 1978. Toutes les publications de M-H imprimeuses augmentent de 1,2% en 1977, les bénéfices avant impôts ont dépassé de 18% par suite de l'excès de capacité et des conditions concurrentielles qui existaient dans l'industrie. Tous les fabricants de formulaires sont substanllement reduit leur part du commerce ont marqué.

La presse est un modèle Harris M-100A à huit sections semblable aux presses actuelles de l'imprimerie. La nouvelle installation de l'imprimeuse de 1978, toutes les publications de M-H imprimeuses augmentent de 1,2% en 1977, les bénéfices avant impôts ont dépassé de 18% par suite de l'excès de capacité et des conditions concurrentielles qui existaient dans l'industrie. Tous les fabricants de formulaires sont substanllement reduit leur part du commerce ont marqué.

La presse à la fin de l'année. adaptées à la nouvelle par cette imprimerie seront publiques de M-H imprimeuses de l'imprimerie. La nouvelle installation de l'imprimeuse de 1978, toutes les publications de M-H imprimeuses augmentent de 1,2% en 1977, les bénéfices avant impôts ont dépassé de 18% par suite de l'excès de capacité et des conditions concurrentielles qui existaient dans l'industrie. Tous les fabricants de formulaires sont substanllement reduit leur part du commerce ont marqué.

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Impression commerciale

Alors que les ventes du groupe des formulaires commerciaux de Maclean-Hunter ont

augmenté de 1,2% en 1977, les

bénéfices avant impôts ont

dépassé de 18% par suite de

l'excès de capacité et des

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les fabricants de formulaires

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Maclean-Hunter Communication

Detroit. Cette difficile scéna possède 58 albums à la fin de 1978. Metro trimestre de 1978. Metro possède 58 albums à la fin de 1978. Si les ventes se poursuivent au même rythme, cette société devrait atteindre le seuil de rentabilité en 1978 et être rentable en 1979.

Les débuts de Metro Home dans les immeubles d'habitation de la région. Les débuts de Metro Home dans les immeubles d'habitation de la région. Les débuts de Metro Home dans les immeubles d'habitation de la région. Les débuts de Metro Home dans les immeubles d'habitation de la région. Les débuts de Metro Home dans les immeubles d'habitation de la région.

Theatre out connu un progrès dans les dernières années. Les ventes ont connu un progrès dans les dernières années. Les ventes ont connu un progrès dans les dernières années. Les ventes ont connu un progrès dans les dernières années. Les ventes ont connu un progrès dans les dernières années.

Prévu et qui est en partie réalisable à la difficile station de réception pour une autre station de la région de Detroit. Cela devrait être réalisé dans la région de Detroit.

long terme Pour Suburban Cable television.
Au cours de l'année, M-H
Méto Home Theatre à la création de
Cable Ammoniaque à l'annee, M-H
Méto Home Theatre dans un service de télévision payante aux immeubles d'habitation de l'agglomération de Detroit. M-H
Cable possède maintenant les deux tiers des intérêts de cette société, et des intérêts possèdent également le reste. La société a été fondée afin de permettre l'usage d'une nouvelle technique de diffusion appelée Multispot Distribution Service (MDS) plutôt que de recourir au câble pour la télédistribution de films par télévision payante.



Suburban était en mesure de déplier par cablé à la fin de 1977 totalisait 88 600 foyers, nombre qui double la société dépense une part importante de son chiffre d'affaires. Les bénéfices comparatifs n'ont pas dépassé 50% du marché dans deux franchises dans le comté de Duvalin, ce qui porte à 27 le montant dont une société de télédistribution peut accorder son tarif sans être officiellement entendue devant la Commission. Une audience est toutefois nécessaire lorsqu'une hausse supérieure au plateau fixe est requise par une société. Cette libéralisation aura pour effet de diminuer l'intervention dans ce secteur américain de nos affaires.

Des négociations sont actuellement en cours en vue d'obtenir un autre financement ?

La société a récemment obtenu deux franchises comparatives dans le comté de Duvalin et 17 sont suburbanes dont 17 sont exploitées. La Public Utilities Commission a également dans les franchises de Suburban New Jersey a liberalisé ses éléments visant les hausses de tarif dans l'opération d'accordeur des installations CATV du New Jersey. La Commission a établi

Cable TV Maclean-Hunter

ELLE procédera à des améliorations techniques im portantes de la transmission en 1978 et espère ouvrir un bureau régional à Calgary.

Newswadio Limited, filiale de Stéphensons & Townrow, est une matinale possédant 44 abonnées grâce à une réseautique nationale et les stations AM et FM.

consolidation de son exploitation en 1977, S&T est à l'origine d'un programme intensif d'acquisition de stations en 1982.

Limited, filiale à participation de 80% de CKLY Limited, vend de la publicité radiophonique et télévisée pour les autres stations. Après un an de

environnement, KEY Limited projette d'améliorer les bulletins d'information et les émissions de ces stations diffusées dans la région d'Ottawa.

Facilement des renseignements confidentiels sur les impôts du ministre du Revenu national. La nouvelle cause un émoi à la Chambre des communes et a déclenché le mouvement fédéral à appuyer d'importantes modifications à sa méthode de collecte d'information à la demande de l'opposition.

Au cours de l'année, Charles Lempérat fait Pirre Bertrand sortir dans un manchette dans toute la presse lorsqu'il dévoile qu'il possède la clé d'obtenir

domouet permet de survoler une plus grande aire avec la
campane, l'obscurite venue,
de rapidite et de survoler la
sous-terre ameliorer le service,

Fidèle à ses principes, CKYE continue toujours de diffuser de la musique légère aux auditeurs de la région de Toronto ainsi que des nouvelles de l'avenir.

Lang l'automne dernier pour ses missions du martin des bois et aux adultes de 25 à 49 ans de 48,6% au Québec.

LKRY Radio démarre toujours à la dernière station en importance à Toronto pour ce qui est de l'audience recherchée dans les 25 à 54 ans. De plus la



Limited
KEY

CFCN-AM, station qui diffuse de la musique contemporaine et de la chanson à l'intention des adultes, accroît son audience au cours de l'année. La station se maintient dans le marché de Québec et dans les autres marchés de la province. Les stations commerciales ont obtenu de meilleurs résultats au deuxième rang. Cela contribue à la diffusion par hélicoptère de la radio dans les régions rurales et sur la côte sud du Québec. Ces stations sont importantes dans les émissions musicales et les services d'information croisées telles que les rapports sur la circulation routière supervisée, les informations météorologiques, les prévisions climatiques et les services de secours en cas d'urgence.

Participation dans les CN
Communications Limited de
60% ou elle était il y a un an à
plus de 99% à la suite d'une
offre, fait le en juillet dernier,
CFCN que M-H ne possédait
pas à cette date. Les actions de
qu'il continua d'avoir un effet
positif sur les résultats de
McLean-Hunter Limited. CFN
radio desservant la sud-ouest de
l'agglomération de Calgary ainsi
que trois stations de radio dans
des bénéfices d'exploitation
de la sud-ouest de l'Ontario.
Les stations de radio dans
l'agglomération de Calgary ont été
infiltrées à ceux de L'annee
précédente et en liaison avec
des stations d'exploitation
qui possède deux stations de
télévision et deux stations de
radio desservant la radio dans
l'agglomération de la sud-ouest de
l'Ontario.

CECN
Communications Limited



CHYM a été retransmise par suite de ses ventes à \$1 million pour la première fois de son histoire. La station domine le marché où elle desserte par la diffusion de nombreux séries semi-classiques et de local. Nos stations ont reçu plusieurs prix de l'industrie l'an dernier, CKGL-FM, station secur de Cambridge, CHYM, pourtant ses émissions populaires de musique traditionnelle et western. La station diffuse en stereo, dans une grande aire de la région de Kitchener-Waterloo), et la publication de Waterloo), et la publication de la région de Chatham. CFCO, station AM desservant urabline. AM présente avec la station conjointement avec un diffuseur vendue aux annonceurs aussi régulier que CFCN. Télévision a gagné deux prix d'information, CFCN Radio en a deux pour excellence de sa production commerciale, CFCN du Télévision Bureau de Canada pour sa production commerciale nationale.

Metro Toronto News Company

March proch La D éduca didact éleme contin basise ecolles budge La Soc accroît la nouve La D comme des me Diférai certai



Diferenbaker a été terminé et un certain nombre de livres ont été des mémoires de M. Boume amné, le troisième tome La Division des ouvertures commerciales a connu une nouveauté très importante. Par la publication de quelques accroître ses revenus en 1978 La Société complète comprendant budgets d'ouvertures techniques. Les sociétés d'ouvertures ont été

marche duraunt les cinq
prochaines années.
La Division des ouvrages
éducatifs, qui vend des ouvrages
didactiques aux écoles
continue de se heurter à la
base de ses inscriptions dans les
écoles à la réputation des

A vibrant, colorful illustration depicting a fantastical landscape. In the center-left, a large, multi-headed dragon or serpent-like creature with a textured, scaly body and a long tail is coiled. To its right stands a small, medieval-style castle with a blue roof and white walls, surrounded by green trees. A winding path leads from the castle towards the right side of the image, where more greenery and a few small figures are visible. The background is filled with soft, pastel-colored clouds and distant hills, creating a whimsical and dreamlike atmosphere.

Macmillan of Canada

Activité

La plus grande fréquence de publications obligera à accroître le personnel de la rédaction de 40 à 70 employés pendant les deux dernières années. Ce changement constitue un événement historique dans le domaine de l'édition canadienne.

Le magazine d'information et de divertissement pour les Québécois. Le magazine d'information et de divertissement pour les Québécois. Le magazine d'information et de divertissement pour les Québécois. Le magazine d'information et de divertissement pour les Québécois.

Miss Charlotte a révisé son récit d'expédition dans les îles Canadiennes. Il a été publié dans le magazine *Le Monde des Jeunes* en 1952.

Un événement mémorable de l'année fut la retraite de Doris Anderson qui s'est acquittée avec honneur des ses fonctions durant ses 18 années de service à titre de rédactrice en chef de Charente. Elle fut remplacée par Mildred Istona qui s'apprête sur les bases solides que la publication a établies au cours

• 8479

plus circonscriptions et plus diversifiées en 1977. Chatelaine

magazines ont offerts à leurs lecteurs des articles de rédaction augmenté de 17%. Les

Les revenus conjugués de
Chateleine et Chateleine ont

de ses revenus à la fin de sa première année de publication sous un nouveau format

delecteurs que des amocheteurs.

Les deux semaines a régulé un véritable accueil tant des

L'augmentation de 35% des revenus du Maclean's démontre que ce magazine publie toutes

La rédaction des cinq magazines.
a redistribuable à l'intensification de

mine profitable. Cet
de 27%, ont bénéficié d'une
certaines produits ou augmenté

évenus également au magazine.

Maclean's ou L'Actualité ont été us par plus de la moitié de tous les Canadiens adultes de langue

de certains pays. En 1977,
Chateleine et Chateleine ont

Magazines d'interêt général
des magazines d'intérêt général
de MacLean-Hunter Compétent
à la fois les besoins de l'ensemble
de la population et ceux des gens
qui ont des intérêts particuliers.
C'est pourquoi ces magazines
sont destinés à tous les Québécois.

financial Post (neuf conférences out projets).

des entreprises, des services informatiques et du service aux entreprises de

participation de 31%). La situation prévoit une croissance continue, à un rythme constant,

Financial Post et de Téléphone
Communicators Canada

Spéres en 1978 du Magazine
Financial Post, d'Investors

qui résulte d'un état de l'ovule ou d'un état de la graine.

Les livres publiés par la
lition en 1977 comprennent
Génisations et Survivals.
Méramill to Ruin and It's Your
Move. Le Service des livres pour

En 1977, le Service des Conférences de Financial Post a désigné six Conférences d'Analystes.



Post
The I

L'année en fut encore une de distinctions honorifiques pour le journal qui a obtenu un prix et trois mentions honorables au Writing Awards ainsi que deux concours National Business et honoraibles au concours Kennebunk R. Wilson Memorial Awards. Les deux concours honorables L'excellence d'affaires, journalisme d'affaires, des ventes de Financial Post a Le personnel de la rédaction prépare un rapport en clin parties, hautement louangé, sur toutes les semaines.

la série Canadafin, le rapport fut par la suite remis prime en un seul volume et expédié à Lettager à des organismes influents, à des entreprises imprégnées et à des entrepreneurs gouvérnements. L'information sur le monde d'affaires a été accueillie et des autres services ont été mis sur pied. Ces innovations ont sans aucun doute contribué à la hausse de la diffusion, environ 380 000 personnes lisent maintenant le Financial Post toutes les semaines.



Reviews spécialisées



Les administrateurs



Peter C. Newman
Rédacteur en chef,
Médiums

Lorne R. Clark
vice-président, finances

Robert W. Robertson
vice-président, División des
réseaux spéciaux

Floyd S. Chalmers
administrateur de
la Société
et Division de Financial Post
exploitations internationales
vice-président,
et chef de l'administration

Donald G. Campbell
président du conseil et
chef de l'administration

Les administrateurs

Roger W. Robertson, Membre de M-H depuis 1942. Agé: 53 ans. Spécialisées: Optique-président, Diétisation des réseaux sociaux. Membre de la Société, y compris ses en dé la Société, y compris les groupes et de la direction déléguée de la publication. Directeur, La Presse spécialisée du Canada; Directeur, Canadian Audit Board; Directeur, Association d'audit; Directeur, Association professionnelle; Directeur, Canadian Business Press; et membre, Association de la presse périodique; membre, Association professionnelle; et membre, Canadian Business Association. William P. Widder, Vice-président délégué, Gulf Oil Canada Limited. Membre du conseil d'administration des sociétés survivantes: Allstate Insurance Company of Canada, John Labatt Limited, Noranda Mines Limited, Simpsons-Sears Limited et Simpsons-Sears Limited. Membre du conseil de direction et du comité consultatif de l'Université de l'Ontario Western. Charte de l'Université de l'Ontario Western. Comité, Institut pour les affaires publiques et le secteur privé. Président, Université pour les affaires publiques et le secteur privé. Membre du conseil d'administration de la Chambre de commerce de Montréal. Administrateur de la Chambre de commerce de Montréal. Administrateur en 1977. Élu administrateur de la société. Age: 55 ans.

Age: 55 ans.
Société: Osier,
Administrateur de la Société.
Vice-président et chef de
l'Administration britannique
et canadienne (Canada) Limited
Membre du conseil
Administratif, British Steel
Corporation, British Steel
Administrator et chef de
l'Administration britannique
et canadienne (Canada) Limited
Membre du conseil
Administratif, British Steel
Corporation, British Steel
Survivantes: Household Finance
Corporation, Interprovincial Steel
and Pipe Corporation Ltd.,
North American Life
Assurance Company, The
Toronto-Dominion Bank,
TransCanada PipeLines
Limited et The Canadian
Safety Company.

de directeur des ventes du service d'impression commerciale à la Société Maclean-Hunter.

Age: 53 ans. Membre de M-H depuis 1942. Membre du conseil vice-président, Division des sociétés spécialisées.	Elu administrateur en 1969. A occupé divers postes au sein de la société, y compris ceux de directeur de groupe et de directeur de la publicité. Elu administrateur en 1977. Age: 55 ans. Administrateur de la société, William P. Wilder,	Publique Presse Dirigeant, Sociétés du Canada distributrices du Canada distributeur, Association de la presse Business Periodique; membre, Oil Canada Limited. Vice-président délégué, Gulf Member du conseil d'administration des sociétés survivantes: Allstate Insurance Company, Ltd., Lever Brothers Limited, Noranda Mines Limbach Limited, Lester Brothers Limpsons-Sears Limited. Limitee, Simpsons Limited et consulatrice de l'université de Western Ontario, School of Business Administration. Research on Public Policy, Community Institute for President, Investors Consulatif de l'université de for Sick Children.
Age: 62 ans. Membre de M-H depuis 1945. Age: 62 ans.	Acquéreur de la production, d'ingénierie et de la production, Elu administrateur en 1956. Age: 62 ans.	Acquéreur des postes formulaires commerciaux. Président du conseil et vice-président, impression formulaires commerciaux. Président du conseil et formulateur de l'impression formulaires commerciaux. Acquéreur des postes commerciaux.
Age: 62 ans. Volume 1. The Canadian Establishment de best-sellers commercial et York University. honoriques, Brock University de journalismes, doctorats Tutulaire de nombreux prix Canada.	Volume 1. The Canadian Establishment de best-sellers commercial et York University. honoriques, Brock University de journalismes, doctorats Tutulaire de nombreux prix Canada.	Volume 1. The Canadian Establishment de best-sellers commercial et York University. honoriques, Brock University de journalismes, doctorats Tutulaire de nombreux prix Canada.
Age: 62 ans. Membre fondateur, de MacLean's.	Membre fondateur, de MacLean's.	Membre fondateur, de MacLean's.
Age: 62 ans. Membre de M-H depuis 1950. Age: 62 ans.	Membre de M-H depuis 1950. Age: 62 ans.	Membre de M-H depuis 1950. Age: 62 ans.
Age: 62 ans. Peer C. Newmann, éditeur en chef, Maclean's.	Age: 62 ans. Peer C. Newmann, éditeur en chef, Maclean's.	Age: 62 ans. Peer C. Newmann, éditeur en chef, Maclean's.
Age: 62 ans. Membre du conseil division des sociétés spécialisées.	Age: 62 ans. Membre du conseil division des sociétés spécialisées.	Age: 62 ans. Membre du conseil division des sociétés spécialisées.
Age: 62 ans. Membre du conseil division des sociétés spécialisées.	Age: 62 ans. Membre du conseil division des sociétés spécialisées.	Age: 62 ans. Membre du conseil division des sociétés spécialisées.

John M. Holton,	Administrateur de la société.
Xosetary Club of Toronto.	Age: 51 ans.
John M. Holton,	Administrateur en 1971.
Président, Hunco Limited;	Age: 51 ans.
Président, Edgcliffe Holdings	Administrateur de la société.
Luminited, Edgcliffe Holdings	Age: 64 ans.
Arthur Lidle,	Administrateur en 1974.
Administrateur de la société.	Elli administrateur en 1974.
Gordon & Company Ltd.	Associé principal de Clarkson,
Associé administrateur en 1974.	Gordon & Company Ltd.
Robert W. Robertson,	Administrateur de la société en 1974.
Robert W. Robertson,	Administrateur de la société en 1974.
Suryty Company.	Luminited, The Canadian
Luminited, The Canadian	Bank, Dominion Bank,
Bank, Dominion Bank,	Pipelines Canada Ltd.
Pipelines Canada Ltd.	Limited et The Canadian
Limited et The Canadian	Bank, Dominion Bank,
Bank, Dominion Bank,	Assurance Company, The
Assurance Company, The	Life Assurance Company.
Life Assurance Company.	Suryty Company.
Suryty Company.	Robert W. Robertson,
Robert W. Robertson,	Administrateur de la société.

de directeur des ventes du service d'impression commerciale à la société Maléen-Hunter.	Châtelaine; directeur de la publication, Miss Châtelaine; directeur de la publication, Mme L'Actualité.
commerciale à la société Maléen-Hunter.	Maclean's et directeur de la publication, Miss Châtelaine; directeur de la publication, Mme L'Actualité.
Américain président, Printing Presser's Section, Magazine Printers' Section, Printing Industry of America.	Président, Association de la presse périodique; directeur et trésorier, Audit Bureau of Publications; directeur et trésorier, Association of Club of Willowdale.
Rotary Club of Willowdale.	Président, Association de la presse périodique; directeur et trésorier, Audit Bureau of Publications; directeur et trésorier, Association of Canada.
Gordon P. Oster, administrateur de la société.	Directeur, Canadian Opera Association, administrateur, Opéra Canada, membre du Conseil.
Age: 55 ans.	Elu administrateur en 1976.
Vice-président et chef de l'administration, ministre du Commerce et du Développement économique.	Vice-président et chef de l'administration, ministre du Commerce et du Développement économique.

Le document présente la situation actuelle et propose des actions à mettre en œuvre pour améliorer l'efficacité de l'enseignement et de l'apprentissage dans les établissements d'enseignement supérieur.

Certaines données trimestrielles à l'intention des actionnaires

Les méthodes largement différentes ont été proposées pour présenter une information plus pertinente, mais la profession compable et la communauté manutient des évenements à core entendus sur une méthode acceptable. Maclean-Hunter Limited atteignait environ \$20.0 millions en 1978.

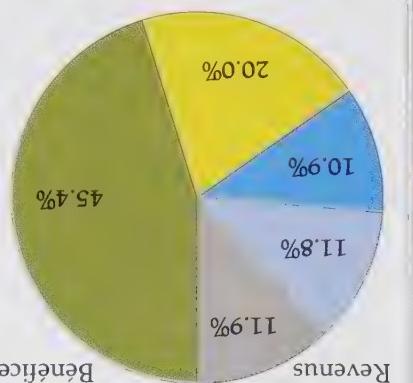
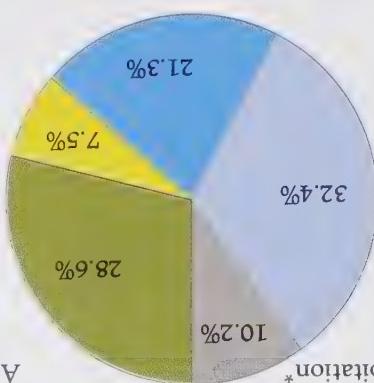
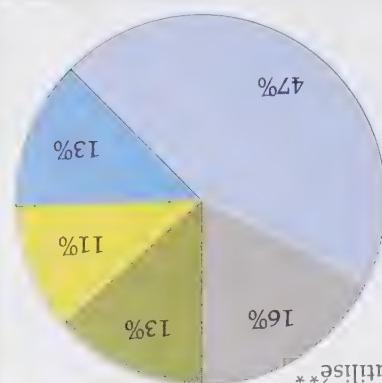
La compagnie a prévu des dépenses en immobilisations Cette somme comprend quelque \$12.0 millions au titre d'additions aux installations de télédistribution (environ la moitié de ce montant aux États-Unis) et environ \$4.0 millions pour une nouvelle presse d'imprimerie et d'autres améliorations à appartenir aux installations d'imprimerie.

Après avoir réglé l'approbation du Conseil de la radio-diffusion et des télécommunications canadiennes, CKY Limited procéde maintenant à l'achat de deux stations radiophoniques d'Ottawa pour la somme de \$3.1 millions.

On prévoit que les installations de télédistribution seront financées à peu près également par la dette à terme et les autres dépenses liées au profit partout dans le pays.

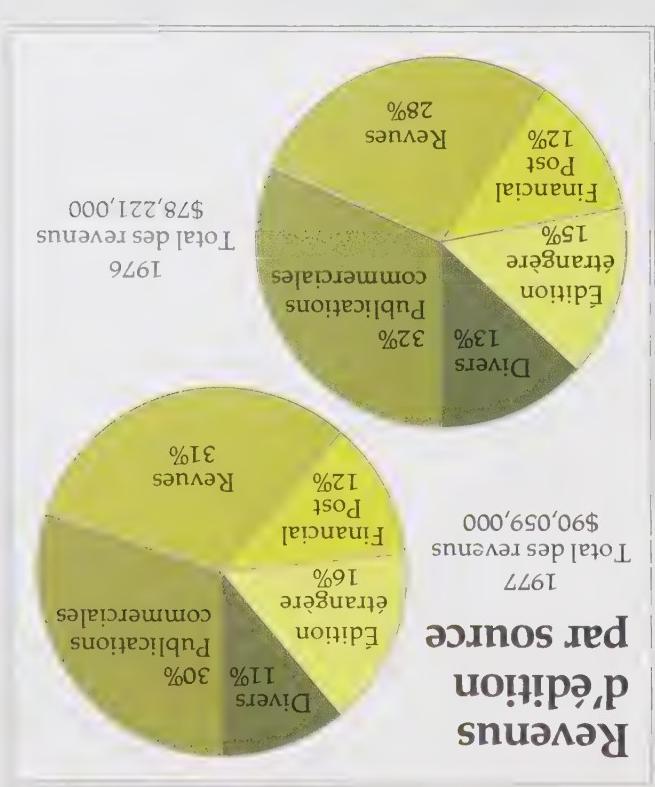
...L'activité net utilitaire représente la part totale (exposition favorite des placements et d'avances) moins le passif à court terme, le revenu net non gagné d'édition et les impôts reportés.

Les impôts sur le revenu, la participation des compagnies affiliées et la participation minoritaire.



	Revenus Bénéfice d'exploitation	Autre net des opérations de fonds	Rendement des investissements financiers	Rendement du capital	Rendement total	Autre bénéfice	Autre charge	Réduction d'impôts	Bénéfice avant impôts sur le revenu	Autre bénéfice
Periodiques et livres - Distribution	90,059	45,4%	7,122	28,6%	10,0	13%	7,9%	71%		
Distribution	21,665	10,9%	5,283	21,3%	10,0	13%	24,4%	53%		
Periodiques et livres - Distribution	39,632	20,0%	1,866	7,5%	8,5	11%	4,7%	22%		
Diffusion	21,665	10,9%	5,283	21,3%	10,0	13%	24,4%	53%		
Teledistribution	23,322	11,8%	8,051	32,4%	36,0	47%	34,5%	22%		
Formules d'affaires et autres activités	23,585	11,9%	2,537	10,2%	12,5	16%	10,7%	20%		
	\$198,263	100,0%	\$24,859	100,0%	\$77,0	100%	12,5%	32%		
Moins la dépense d'intérêt		4,237								
Bénéfice avant impôts sur le revenu									\$20,622	

Revenus, bénéfice d'exploitation et actif net par secteur d'activités commerciales en 1977

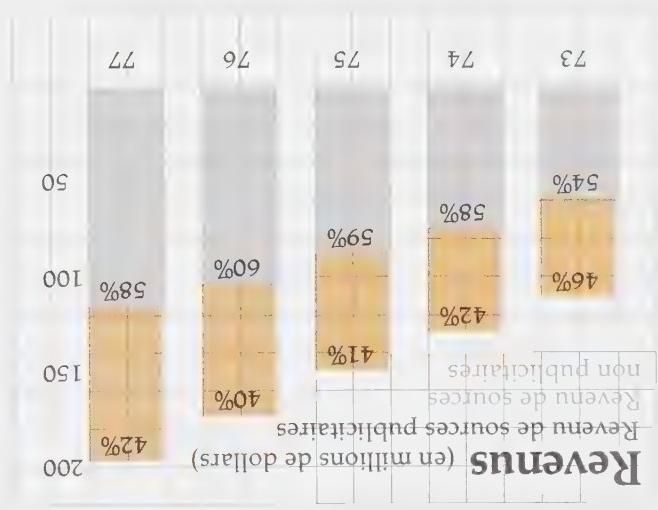
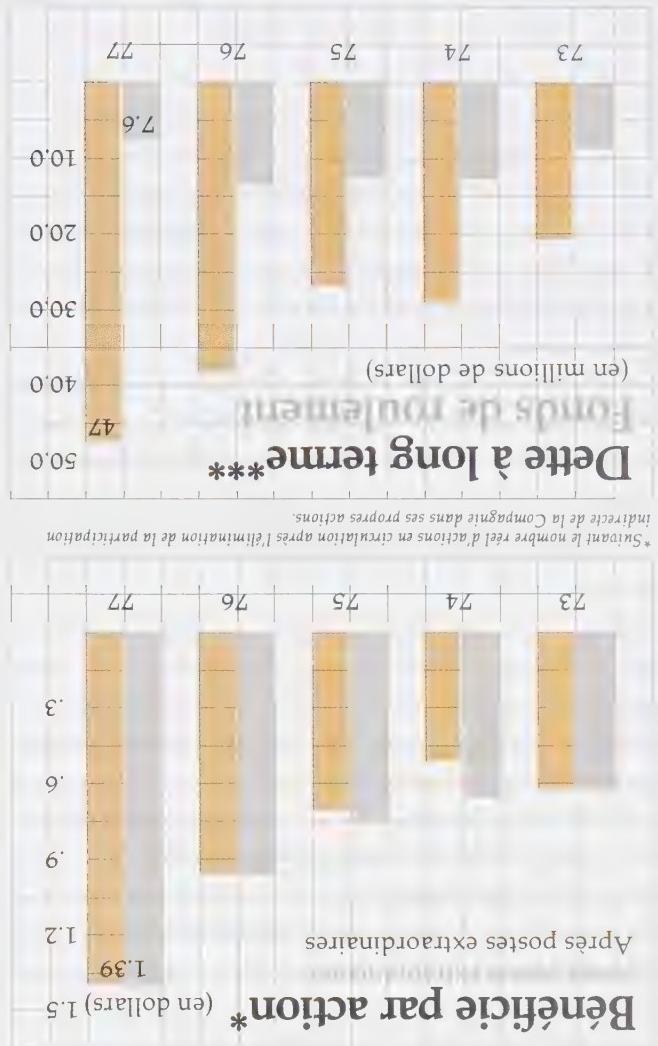
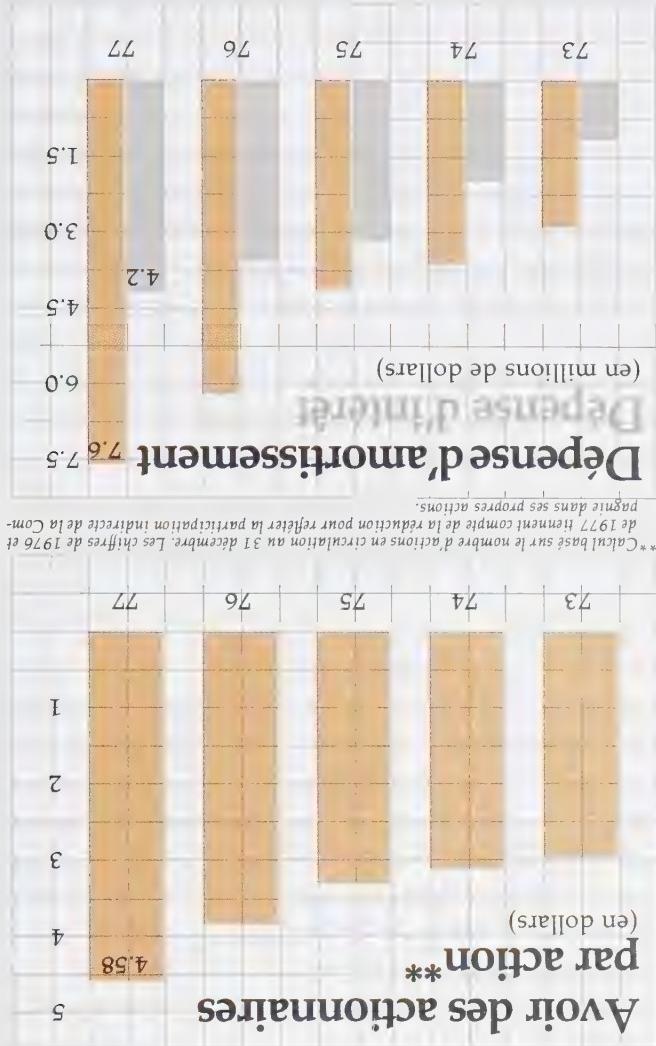


On doit tenir compte tant du rendement des revenus que du rendement de l'actif net quand il s'agit d'évaluer les réalisations de chacun des secteurs. Le rendement de l'actif net permet de reconnaître le placement requis pour atteindre les bénéfices gagnés. Le graphique figurant à la page 7 présente les revenus, le bénéfice d'exploitation et l'actif net par secteur d'activités commerciales pour 1977 suivant la présentation de 1976. Selon une compétition consolidée, le rendement des revenus est passé de 12,1% en 1976 à 12,5% en 1977 et le rendement est nete utilisée, de 29% en 1976 à 32% en 1977. Les seuls secteurs dans lesquels on a note une amélioration dans ces deux rendements dans le secteur édition a enregistré la plus grande modification dans le rendement de l'actif net, alors que ce rendement s'est élevé à 71% en 1977, de 41% qu'il était en 1976. Ce changement s'est fait dans le secteur édition à la suite d'une augmentation de la distribution du bénéfice

Les additions aux propriétés, totalisant \$15,9 millions en 1977, se composent surtout de \$12,9 millions d'additions aux installations et à l'équipement de télédistribution et de \$1,5 million au titre de l'équipement de diffusion.

Le taux d'impôt sur la vente d'un actif financier est de 47,7% et le taux d'impôt sur la vente d'un bien immobilier est de 3% au titre des stocks. En 1977, cette réduction des déductions a augmenté le bénéfice par action d'environ 24%.

*** Exclut la fraction à court terme de la dette.



Globale (la somme de la dette à long terme, de la participation minoritaire (la partie de la dette des actionnaires), est passée de 46% en 1976 à 51% en 1977.

Le ratio du fonds de roulement (rapport entre l'actif à court terme et le passif à court terme) est passé de 1,4 en 1976 à 1,2 en 1977.

Fonds de roulement

Cette diminution est principalement attribuable à un changement dans nos arrangements bancaires. Au cours de 1977, l'emprunt bancaire à terme de la compagnie, qui faisait partie de l'exploitation a été converti en une marge de crédit d'exploitation à court terme à un taux d'intérêt plus favorable, tandis que la marge de crédit maximale s'est élevée à \$13,0 millions. Cette conversion a entraîné une augmentation de l'endettement, tandis que la marge de crédit maximale s'est élevée à environ \$5,8 millions. Ces deux facteurs ont contribué à une augmentation de l'endettement à court terme de la compagnie à environ \$19,7 millions.

Le ratio de fonds de roulement (rapport entre l'actif à court terme et le passif à court terme) est passé de 1,4 en 1976 à 1,2 en 1977.

Fonds de roulement

La dette globale (y compris les emprunts bancaires) place au placement est passée de \$14,9 millions à \$60,0 millions, soit une augmentation de \$45,1 millions. Excepté les actions de Cable TV et de CFCN, le solde de la dette a diminué de environ \$3,2 millions.

Cette réduction de la dette a diminué de toutes les autres exigences de fonds (y compris les dividendes de \$2,3 millions) ont été exigées par l'exploitation.

Le ratio de fonds dans les actions de Cable TV et de CFCN, le solde de la dette a diminué de environ \$2 millions.

CFCN, le solde de la dette a diminué de environ \$2 millions.

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* Les chiffres correspondants de 1976 ont été redressés pour tenir compte de la reclassification des secteurs effectuée en 1977.

	1973	1974	1975	1976	1977	1976	1977
Perodiques et livres - Edition	\$6,653	\$5,532	\$4,334	\$4,722	\$7,122	*	
Rendement de l'actif net utilisé							
Bénéfice sectoriel							
Dette							
Achats d'actions de CFCN et de Cable							
En juillet 1977, Maclean-Hunter Limitee a acheté la plupart des actions de M-H Cable TV et de CFCN Communications qu'elle possédait pas déjà. Au 31 décembre 1977, la compagnie dans leur bénéfice d'exploitation en 1977.							
Periodiques et livres - Distribution	49%	34%	23%	22%	29%	41%	71%
(12%)	(4%)	(4%)	2%	3%	8%	7%	22%
Diffusion	22%	21%	24%	26%	21%	46%	53%
Periodiques et livres - Distribution	(1,596)	(657)	458	720	1,866	41%	71%
Teledistribution	4,226	5,130	6,032	7,082	8,051		
Formules d'affaires et autres activités	1,280	2,766	3,594	3,185	2,537	26%	22%
Moyens la dépense d'intérêt	13,608	16,246	18,845	21,166	24,859	100%	100%
Bénéfice avant impôts sur le revenu	\$11,704	\$13,078	\$16,095	\$17,649	\$20,622	29%	32%

Sélection de comparaisons sectorielles historiques

Sélection de comparaisons sectorielles historiques

La dette à long terme, à titre de pourcentage de la capitalisation

ne possèdeait pas déjà. Au 31 décembre 1977, la compagnie dans leurs bénéfices d'exploitation en 1977.

Actions de M-H Hunter Limitee a acheté la plupart des formules d'affaires et autres activités ont enregistré une baisse

d'exploitation comparée à 3% en 1976. La diffusion de même que en 1977, notre secteur de distribution a continué de s'améliorer en 1976. Notre secteur de distribution, compare à 22% présente 29% du bénéfice total d'exploitation, contre 22% d'actions commerciales. Le bénéfice d'exploitation tire de

l'édition connue une augmentation de 51% au cours de 1977 et dans leurs bénéfices d'exploitation en 1977.

Le bénéfice ci-dessous présente une comparaison, établie pour deux exercices, du bénéfice d'exploitation pour chaque secteur

Le graphique ci-dessous présente une comparaison, établie pour deux exercices, du bénéfice d'exploitation pour chaque secteur

Le bénéfice d'exploitation dans les secteurs de sources publiques se sont accrus, passant de 40% à 46% des revenus globaux.

Provenant de deux sources publiques se sont accrus, passant de 7,8%, en 1976, à 42% des revenus globaux en 1977. Le total des revenus provenant de deux sources publiques est passé de 7,8%, en 1976,

à 46% des revenus globaux.

Le bénéfice net consolidé a augmenté de 46% dans toutes les filiales de la croissance de sa filiale américaine. Les revenus d'édition ont augmenté de 15,1%, tandis que les hausses les plus

pourcentagé le plus élevé de 24%, due à un attriste qui a connu une faible baisse. La teledistribution présente

en 1977, tous les secteurs ont enregistré des hausses de revenus, excepté la finance et l'exploitation. (Voir le graphique comparatif

marquées ont été significatives dans la division des revenus mais restent de 15,1%, tandis que les hausses les plus

de cette édition étaient de 15,1%, tandis que la hausse des revenus

de cette édition étaient de 15,1%, tandis que la hausse des revenus

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Nous prévoyons que les périodiques accroîtront leur part du marché, et nos priorités, en matière d'expansion au cours des prochaines années, comprennent le secteur de notre activité ainsi que l'acquisition de stations de radio et de télédiffusion et la recherche de nouveaux partenaires internationaux.

Une partie intégrante de cette stratégie est l'établissement de prévisions de cinq ans, établies annuellement par tous les 165 centres de profit de la société.

L'objectif à long terme de la Société est de verser, dans des conditions économiques normales, des dividendes correspondant à 50% du bénéfice net consolidé après impôts. Les restrictions imposées par la Commission de l'utte contre l'inflation ne nous ont pas permis de verser ce pourcentage en dividendes en 1977.

La différence sera accordée aux investissements qui diminueront la dépendance de la Société des revenus provenant de la publicité faite à l'échelle nationale.

La société devra au moins posséder des intérêts majeurs dans toutes les entreprises étrangères son activité ou en assurer juridiquement le contrôle.

L'exploitation de toutes les propriétés qui n'atteignent pas les objectifs du plan, ne pourra se poursuivre que sous réserve d'approbation.

Durant 1978 et les années suivantes, la Société orientera sa croissance en fonction d'un plan détaillé déjà établi et dont certains traits sallants sont les suivants : Toutes les propriétés existantes et nouvelles propriétés devront réaliser un revenu minimal de 12% après impôts sur l'actif net enragé.

En 1978, Maclean-Hunter continuera d'améliorer et de perfectionner ses services aux secteurs des communautés dans lesquels elle est engagée. La principale initiative de l'année sera la transformation du Maclean's en magazine hebdomadaire à parti de septembre. Nous prévoyons que le Maclean's percevra 6% du revenu contre 1978.

L'avenir de l'entreprise

La Société Perogiat environ 9% du total des revenus provenant de la télédistribution au Canada et un pourcentage semblable des abonnés aux services de télédistribution venant du Canada. La situation au Canada est en partie tributaire du Canada.

Les revenus provenant des intérêts de M-H dans la radiodiffusion compétent pour 3% du total des revenus de la radio et de la télévision canadiennes.

La diffusion des revues spécialisées canadiennes de Maclean-Hunter représente plus du quart de la diffusion globale de toutes les revues spécialisées du pays.

Le total de la distribution annuelle de tous les magazines d'information générale de Maclean-Hunter représente environ 10% du total de la diffusion de tous les magazines d'intérêt général dans l'ensemble des médias canadiens.

M-H est probablement la société de communautés dont l'exploitation est la plus diverse au Canada et probablement la cinquième en importance, dans ce domaine, pour ce qui est des ventes.

La dernière, le Financial Post publiait des données statistiques qui démontaient que, parmi les plus grandes entreprises du Canada, Maclean-Hunter se classait au 116e rang pour ce qui est des ventes, au 113e pour ce qui est de l'acuité et au 111e pour ce qui est des bénéfices nets.

L'importance de l'entreprise

M-H a considérablement diversifié son activité au cours des 15 dernières années. Alors que l'édition de-
meure sa principale branche d'activité, son expansion dans d'autres secteurs des communications, particulière-
ment la radiodiffusion, la télévision, la télédistribution et
l'impression de formulaires commerciaux, a augmenté
ses sources de revenus. Bien que continuant à croître, les
revenus globaux, ont diminué d'environ 80% qu'ils étaient en
1967 à 45% en 1977. De la même manière, les revenus
provenant de la publicité faites à l'échelle nationale ont di-
minué au point où ils ne représentent que 42% des re-
venus globaux en 1977 comparativement au pourcentage
de 65% en 1970.

Maclean-Hunter posséde des intérêts à l'étranger dont aux Etats-Unis (publications spécialisées et télédiffusion), au Royaume-Uni (publications spéciales) et dans des maisons d'édition de huit autres pays, sans compter le Canada.

Le Canada est la principale sphère d'activité de la société qui procure des services tant aux Canadiens d'expression anglaise que française.

L'activité de Maclean-Hunter s'estend aux principaux secteurs suivants du domaine des communications : La diffusion et la télévision, la périodique, la radio-publique et les publications de périodiques, la télédiffusion, la radio-commercial, la distribution de magazines et de livres, la publication de livres, la tenue d'expositions commerciales, l'impression commerciale, les services radiodiffusionnistes d'appels et divers autres services d'information.

Le siège social de M-H est au 481, avenue University, Toronto, et la société possède des bureaux canadiens à Montréal, Ottawa, Calgary, Edmonton et Vancouver.

La Société procure de l'information et des services aux hommes d'affaires et aux consommateurs. Elle a donc pour fonction, non seulement de vendre ses propres produits, mais aussi d'aider les autres à vendre les leurs.

Les secteurs d'activité de l'entreprise



(édition canadien de livres brochés), Metro Home Theatre, Inc. (service de télévision de programmes spéciaux aux Etats-Unis), Salon des arts graphiques de Montréal (exposition canadienne), Personnel Computing Showcase (exposition canadienne), Salon du Pre-t-a-Porter (exposition canadienne), Les services suivants ont été discutées ou interrompus au cours de l'année : The Audio Retailer (publication canadienne), Design-Ease System (service de design architectural), Improvement Services (service canadien de commerce et exposition Stéreo (exposition canadienne).

Rapport des administrateurs



22	22	23	23
18	19	20	21
16	16	17	17
12	12	14	15
Administrateurs et dirigeants—36			
Sommaire décentral—34			
Structure organisation—32			
Etats financiers—24			
Impression/Autres—22			
Télédistribution—20			
Radiodiffusion—18			
Distribution—17			
Edition—12			
Administrateurs—9			
Appel de l'exercice financier—5			
Les secteurs d'activité de l'entreprise—4			
Rapport des administrateurs—2			

	Montant (d'après les résultats d'exercice)	Montant (d'après les résultats d'exercice)
Solde initial des actions détenues par le groupe	30'323	30'323
Dettes et fonds de roulement	185'481	152'138
Total	215'804	182'461
Actions détenues par le groupe au cours de l'exercice (2000)	(25'312)	(25'312)
Actions détenues par le groupe au 31 décembre 2000	188'492	157'149
Bénéfice net consolidé au cours de l'exercice (2000)	11'100	10'800
Actions détenues par le groupe au 31 décembre 2001	200'000	167'949
Actions détenues par le groupe au 31 décembre 2002	200'000	167'949
Actions détenues par le groupe au 31 décembre 2003	200'000	167'949
Actions détenues par le groupe au 31 décembre 2004	200'000	167'949
Actions détenues par le groupe au 31 décembre 2005	200'000	167'949

Autres détails

Maclean-Hunter Limitee
ou (diminution)

1977 1976 Augmentation

Maclean-Hunter Limitee		Sommaire de l'exploitation (\$000)	
Revenus	Bénéfice net consolidé	Par action — Classes A et B	Bénéfice par action
\$198,263	\$175,283	9,724	\$1.39
13%	36%	7,142	\$0.95
			46%
			Dividendes par action
			33.0¢
			31.2¢
			6%
			Avort des actionnaires par action
			\$4.58
			\$3.89
			18%
			Situation financière à la fin de l'exercice (\$000)
			Fonds de roulement
		\$ 7,623	\$ 13,597
		140,405	123,626
		140,405	14%
		38,123	24%
		47,281	24%
		30,353	8%
		28,230	8%
			Avort des actionnaires

Points saillants



Rapport annuel
1977
Maclean-Hunter

Business Writing Awards, sponsored by the Royal Bank of Canada and the Toronto Press Club.

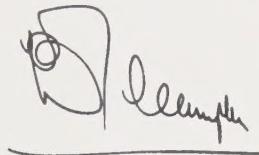
Maclean-Hunter has sold to Arthurs Publications Limited, Canadian Shipping & Marine Engineering, a business magazine which M-H has published since 1911.

M-H's Trade Shows Division has announced the first annual Canadian Home Improvement Show, a joint venture which will be held in January 1978 in conjunction with the Lumber and Building Materials Association of Ontario.

M-H London and M-H Chicago continue their strong performances, improving on the record profits achieved in 1976.

Your Board of Directors has declared a dividend of 8.1¢ per share payable July 29, 1977 to Class A and Class B shareholders of record July 8, 1977.

Sincerely,



Donald G. Campbell
Chairman and President

July 21, 1977

AR24



MACLEAN-HUNTER

Report for the six months
ended June 30, 1977

Maclean-Hunter Limited
481 University Ave.,
Toronto, Ontario M5W 1A7
(416) 595-1811

Cise

MACLEAN-HUNTER LIMITED

CONSOLIDATED STATEMENT OF INCOME (not audited)

	Three months ended June 30		Six months ended June 30	
	1977	Percentage Change	1976	Percentage Change
	\$000		\$000	
Revenue: (Note 1)				
Periodicals and books – Publishing	23,030		20,442	43,332
– Distribution.....	9,753		8,933	18,674
Broadcasting	5,711		4,918	10,510
Cable TV	5,566		4,620	10,935
Business forms and other activities	6,264		6,499	11,501
Investment income	3		7	9
Total revenue	50,327	+ 10.8%	45,419	94,961
Expenses:				
Operating expenses	41,329		38,066	79,681
Depreciation and amortization	1,868		1,545	3,691
Interest expense	909		867	1,842
Total expenses	44,106	+ 9.0%	40,478	85,214
Income before income taxes	6,221	+ 25.9%	4,941	9,747
Income taxes	3,028	+ 25.8%	2,407	4,729
Income before the following	3,193	+ 26.0%	2,534	5,018
Share of net income of affiliated and effectively controlled companies	69		68	97
Minority interest	(559)		(601)	(1,038)
Consolidated net income	2,703	+ 35.1%	2,001	4,077
Dividends declared (Note 2)	590		512	1,180
Per share data: (Note 2)				
Consolidated net income	37.1¢	+ 38.4%	26.8¢	56.1¢
Dividends declared – Class A & B shares	8.1¢		7.5¢	16.2¢
				15.0¢

Note 1: Certain reclassifications have been made in the accounts for 1977 and the 1976 figures submitted for comparative purposes have been adjusted to conform with the 1977 classifications.

Note 2: Dividends declared and per share data reflect the elimination of the Company's indirect investment in its own shares (1,029,370 shares). Consolidated net income per share is based on the weighted average number of shares outstanding for the quarter of 7,281,205 shares and for the six month period of 7,274,366 shares; compared with 7,470,456 shares for the quarter in 1976 and 7,810,378 shares for the six month period ended June 30, 1976.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION (not audited)

	Six months ended June 30	
	1977	1976
	\$000	
Sources of working capital:		
Operations:		
Consolidated net income	4,077	3,175
Increase in unearned net publishing revenue.....	800	1,306
Depreciation.....	3,691	2,958
Deferred income tax	214	27
Minority interest.....	1,038	1,123
Total funds from operations.....	9,820	8,589
Reduction in goodwill	174	869
Sundry.....	17	11
Total sources.....	<u>10,011</u>	<u>9,469</u>
Applications of Working Capital:		
Investment in Maclean-Hunter Holdings Limited.....	—	12,545
financed by: bank loan.....	—	(9,999)
Net outlay of working capital	—	2,546
Additions to properties (net)	6,573	5,349
Redemption of preference shares of subsidiary companies	348	164
Increase in other investments.....	152	189
Dividends.....	1,180	1,063
Tax on undistributed income	—	128
Subsidiary company dividends to minority interest	277	261
Reduction of long-term debt	<u>3,720</u>	<u>556</u>
Total applications	<u>12,250</u>	<u>10,256</u>
Decrease in working capital	2,239	787
Working capital at beginning of period	<u>14,303</u>	<u>13,645</u>
Working capital at end of period	<u>12,064</u>	<u>12,858</u>

Dear Shareholder:

The accompanying unaudited results show that consolidated net income for the second quarter was \$2,703,000 or 37¢ per share, compared with last year's \$2,001,000 or 27¢ per share.

For the first six months of the year, consolidated net income was \$4,077,000 or 56¢ per share, compared with last year's \$3,175,000 or 41¢ per share. This represents increases over 1976 results of 28% and 38% in consolidated net income and earnings per share, respectively.

Segmented income data is shown for the six months to June 30 for both 1977 and 1976.

The second quarter of 1977 was one of importance in the company's history. On July 6, Maclean-Hunter offered \$14 per share for all of the shares of Maclean-Hunter Cable TV Limited and CFCN Communications Limited not already owned by M-H. The company was successful in its bid, increasing its ownership in M-H Cable to 97% and in CFCN to 94.6%. We believe our increased position in each company will have a positive long-term effect on Maclean-Hunter's results.

C-JAY, CFCN's new Calgary-based FM station, began broadcasting on June 1, and is showing excellent early results. CFCN TV won a Charlie Award, given by the Prairie region Radio-Television News Directors' Association, for a report last September on a search and rescue operation.

On June 28, we announced the decision to start publishing Maclean's on a weekly basis in September, 1978. There were two equally important reasons for this decision. First, weekly frequency should put Maclean's in a stronger profit position in future years. The second reason is included in a statement released at the time of the decision: "This country is moving into a very crucial period in its history and we feel it is essential that Maclean's takes on a larger role in ensuring that Canadians from coast to coast will be well informed on both national issues and situations abroad as they affect Canada."

The Financial Post's recent five-part Report on the Nation did much to explain the political, social and economic status of Canada's major regions. The Post also sponsored a successful conference on Quebec's language legislation, which featured Dr. Camille Laurin, Minister of Cultural Development for Quebec. René Lévesque will be addressing an FP conference on August 30. As it has in the past, Maclean-Hunter continues to play an important role in building Canadian unity.

Maclean-Hunter staff members won six of the ten Kenneth R. Wilson Memorial Awards presented in Toronto last June. These awards recognize editorial and graphics achievement in Canada's business press. Also, four Financial Post writers were honoured last April in the National

SEGMENTED INCOME DATA (not audited)

	Six months ended June 30			
	1977		1976	
	(\$000)	(%)	(\$000)	(%)
Periodicals and books — Publishing.....	3,121	27%	1,856	19%
— Distribution..	606	5%	226	2%
Broadcasting.....	2,627	23%	2,439	25%
Cable TV.....	3,930	34%	3,507	36%
Business forms and other activities.....	1,296	11%	1,703	18%
Investment income.....	9	—	24	—
	11,589	100%	9,755	100%
Interest expense.....	1,842		1,466	
Income before income taxes	9,747		8,289	

The segmented income shown above is defined as net income before interest expense, income taxes, share of affiliates and minority interest.